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BENCHMARKING CUSTOMER SERVICE
PRACTICES OF AIR CARGO CARRIERS:
A CASE STUDY APPROACH

THESIS

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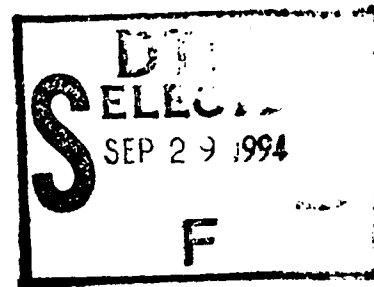
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Wright-Patterson Air Force Base, Ohio

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BENCHMARKING CUSTOMER SERVICE PRACTICES OF AIR CARGO
CARRIERS: A CASE STUDY APPROACH

THESIS

Presented to the Faculty of the Graduate School
of Logistics and Acquisition Management
of the Air Force Institute of Technology
Air Education and Training Command
In Partial Fulfillment of the
Requirements for the Degree of
Master of Science in Logistics Management

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Patrick D. Lozon

Michael B. McDaniel

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Abstract

This study used the benchmarking process incorporated in a case study approach to determine what the Air Force could learn from the commercial air cargo carriers in regard to customer service practices. The air cargo industry leaders were determined through a previous study to be United Parcel Service, Federal Express, Emery Air Freight, Airborne Freight, DHL Airways, and Burlington Air Express. In addition, the 437th Aerial Port Squadron (APS) at Charleston AFB South Carolina was the Air Force representative in the benchmarking study.

Interviews with air cargo managers were conducted at each carrier's main hub and at Charleston AFB. The interview process resulted in the conclusion that most of the customer service practices in the commercial air cargo industry and the Air Force aerial port are similar. The Air Force is superior in customer service report dissemination, but is deficient in customer awareness and intransit cargo visibility. Recommendations from this study include: employee appraisal modification, 360 degree review usage, focus group utilization, and frequent AMC executive and APS management communication.

BENCHMARKING CUSTOMER SERVICE PRACTICES OF AIR CARGO

CARRIERS: A CASE STUDY APPROACH

I. Introduction

General Issue

Superb service has proven beneficial to the success of an organization. Unfortunately, focus on outstanding customer service has been the exception rather than the norm for organizations in the past. Due to this situation, alternative strategies for success existed (Zemke and Schaaf, 1989:xi).

Presently, however, the world is undergoing dramatic changes. "Technology is exploding, competition is closing in from every direction, customers are becoming more sophisticated, [and] our management styles are under major transformation" (Disend, 1991:vii). What most people seem not to recognize as inherent within this change is that providing outstanding customer service is the key to success. If an organization wants to be successful in today's environment, it must provide outstanding customer service (Disend, vii; Zemke and Schaaf, 1989:xi). La Londe, Cooper, and Noordewier further this idea by stating "a

business that is successful in the long term is one that provides for the needs of its customers better than its competition" (1988:14). Likewise, improvements in the product produced by the same organization are more easily attained if the organization maintains a customer-oriented focus (14).

Fortunately, industry leaders of today have recognized that customer service is vital to success. The top companies in nearly every industry focus on customer service. These organizations have attained this level of excellence by improving customer responsiveness, providing better products, and providing service "add-ons" that are better than those of competing organizations, or even unique to the organization (Zemke and Schaaf, 1989:xi). These firms likewise tend to be "customer driven in their planning processes and in the execution of their plans" (La Londe, Cooper, and Noordewier, 1988:1-2). The many operational and process changes that these organizations have made, and continue to make, constantly follow the organization's primary goal--customer satisfaction (2).

Although the terms "customer service" and "customer-driven" refer to the leading organizations within commercial industry, most governmental organizations appear to be customer-blind. The inability to apply these terms to government organizations is partially due to the fact that government organizations do not receive funding from their

customers per se. Government organizations receive funding from legislative bodies, not from those directly in need of the organization's product or service. As a result, many of these governmental organizations "ignore" the customers and focus on pleasing the body that holds the purse strings (Osborne and Gaebler, 1992:167). As governmental organizations, the Department of Defense (DoD) and the Air Force must be classified as somewhat customer-blind as well.

Although not as focused as the civilian sector in the area of customer service, the military appears to have recently recognized the importance of customer service and quality in its daily operations and long-range planning. The DoD Total Quality Management (TQM) training guide addresses the importance of customer service:

The customer defines the purpose of the organization and every process within it. Success means striving to become the best supplier of your particular products and services in the minds of your customers.... This approach to customer service applies to each organizational process.... Because the organization and its processes exist to serve the customer, your improvements are of no benefit unless they are directly passed to the customer in terms of higher quality products and services. (1990:2-12)

In an effort to focus on the customers and their needs, the TQM guide provides the following steps: 1) link organizational purpose to customer satisfaction; 2) identify your customer; 3) ensure your processes meet customer needs,

expectations and requirements; 4) establish routine and meaningful dialogue with customers; 5) listen to the customer; and 6) involve the customer in planning and decision making (1990:2-12). On the basis of the philosophy and direction prevalent within the civilian sector, this guidance appears to serve as a meaningful step toward ensuring the DoD mirrors the service levels of the civilian industry leaders.

Problem Background

In the Air Force, aerial ports are service organizations that provide critical air cargo and passenger movement services for Air Force organizations and personnel. These ports also provide the same services to other DoD and government organizations, although on a much smaller scale. The services provided by these ports include cargo on-load and off-load operations, special handling of classified and hazardous shipments, cargo preparation, and passenger services. Port size and amount of cargo and passengers moved vary depending upon port location and mission, but services provided are considered standard from port to port.

Although these ports are service organizations, customer service does not appear to be the main indicator of port effectiveness or success. Instead, technical standards for cargo and passenger movement serve as primary

indicators. While these standards may be proper, they are not sufficient in themselves to determine the level of customer service or whether customer needs are being met. This research is conducted in an effort to increase the awareness of customer service and customer service practices. By comparing customer service practices of a selected Air Force aerial port with industry leaders in air cargo movement, the researchers hope to determine areas within the realm of customer service that will serve to enhance the port's ability to meet and/or surpass these standards. At the same time, the enhancement of customer service activities within the ports should ensure that resources and efforts are expended efficiently in the areas and services needed and desired by the port's customers.

Camp supports this philosophy. He considers a comparison by an organization of practices, activities, and attitudes of industry leaders a way to "fuel the motivation of everyone involved" within the organization toward improved and enhanced business plans and activities. He cites drastic improvements in the manufacturing operations at Xerox as a testimony to the benefits of such a comparison (1992:3).

The Air Force prides itself in superior performance in peacetime and wartime operations. The critical service provided by Air Force aerial ports is an important factor in the superior level of performance the Air Force considers

necessary. Continuous improvement in aerial port operations, based on customer service practices and activities identified in this research, can serve as an important determinant as to whether the Air Force can continue to operate at the superior level it deems crucial to daily operations.

Research Problem

Due to resource reductions facing the entire Air Force, aerial ports must provide the same or increased levels of service with considerably fewer resources. To meet these service requirements, port management must know and understand the needs of each organization, or customer, that it serves. Presently, a thorough understanding of these needs appears to not be the prime consideration of port management and often this critical area is not given the attention it should receive.

To address this problem, this research will use a case study approach to benchmark the customer service practices of air cargo industry leaders to determine if any of these practices can be applied to Air Force aerial port operations.

Research Objective

The objective of this research is to compare the current customer service practices of Air Force aerial ports with civilian air cargo industry leaders to determine if areas of potential improvement exist.

Specific Objectives

The specific objectives of this research are to 1) identify customer service practices among air cargo industry leaders, 2) to identify customer service practices in existence in a selected Air Force aerial port, 3) compare the practices that exist in these organizations, and 4) present an analysis of how the selected aerial port compares with the air cargo industry leaders. Within this analysis, areas for potential improvement that can be applied to all aerial ports, as well as areas in which the aerial port leads the civilian sector, will be identified.

Scope and Limitations

This research assumes that Air Force aerial ports and leading civilian air cargo companies operate under somewhat similar conditions and principles. Further, due to the similarities that exist, Air Force aerial ports can benefit from studying the customer service practices of leading

civilian air cargo companies, as can civilian air cargo carriers from studying Air Force aerial ports.

This study addresses customer service policies and practices that apply to all aspects of cargo movement operations from receipt of cargo at the facility to delivery. Because the civilian organizations addressed in this research move cargo only, customer service practices and policies that specifically apply to passenger movement are not addressed.

No one single air cargo carrier is identified as the leader in the industry. Therefore, benchmarking against a single company is not possible. Instead, benchmarking principles are used in this research to compare aerial port customer service practices with several leaders in the commercial industry.

Because the research addresses only customer service aspects of each organization, an in-depth case study of each company is not accomplished. Customer service activities only are studied instead of a total company analysis, as is typically accomplished with case studies.

Investigative Questions

This research attempts to answer the following investigative questions:

1. Who are the United States air cargo industry

leaders?

2. What are the differences between the Air Force's and air cargo industry leaders' approaches to customer service?
 - a. Does a proactive approach exist?
 - b. Does the organization have a written customer service policy?
 - c. Does the organization follow up on customer inputs?
 - d. Are employees committed to customer service?
 - e. Does a measurement system exist?
 - f. What role does information technology play in the organization's customer service practices?

Summary

This chapter provides an overview of the proposed research into how the Air Force can improve efficiency and effectiveness by comparing its customer service practices with leaders in the civilian air cargo industry. To accomplish this comparison, this research will employ benchmarking practices and principles in a case study approach.

The remaining chapters of this thesis address specific areas of the research. Chapter II provides an in-depth literature review of pertinent literature on the subject of customer service. Customer service is defined and references to recent customer service research are cited. Additionally, issues of customer service importance, customer service measures, and customer service criteria are discussed. Chapter III covers the research methodology employed by the researchers. Chapter IV presents the findings and analysis of the research. Chapter V provides limitations of the research, conclusions, and recommendations based on the conclusions and findings of the study.

II. Literature Review

Introduction

The objectives of this literature review are to explore current literature in the area of customer service and identify the common ideas and theories espoused by scholars in this area. The ideas and theories identified in this review serve as a foundation for comparison with data collected through the interview process discussed in Chapter IV. This review focuses on customer service definitions, customer service philosophies and research, the importance of customer service, customer service criteria, and customer service measurement.

Customer Service Defined

Before defining customer service, one must understand what the term customer really means. Customers can be divided into two categories--internal and external. Internal customers are those customers who receive a product or service within an organization who also participate in the development of the overall service. External customers are the end users of the product or service; they are the reason the product or service exists (Saylor, 1987:20). Disend identifies customers as internal and external. He identifies internal customers as those people, departments,

and divisions to whom you "'sell' your products or service to inside your organization" (1991:93). External customers are individuals who use your product for personal use, individuals who buy your products for another party, and organizations that buy and use your product to make other products to sell to yet another person or business (93-94). Customers then can be defined as those individuals, both internal and external to an organization, who benefit from the product or service provided by the organization.

Many organizations realize the importance of external customers but fail to recognize the vital needs of their internal customers. Workers within the organization are dependent upon each other and must work together. This dependency requires individuals within the organization to maintain a customer/supplier relationship to meet the external customer's needs (Disend, 1991:38-39). It is the opinion of the researchers that both customer types are important to the success of a company, and as a result, this study focuses on both categories.

Numerous definitions of customer service exist. The definitions can be defined in an organizational context (the set of functions resident in an organizational setting), a performance expectation (deliver X percentage of orders within X days), or a process view (the process that takes place between the buyer, seller and a third party that

results in value added to the product or service exchanged) (La Londe, Cooper and Noordewier, 1988:4-5).

The Council of Logistics Management defines customer service as "a process for providing significant value-added benefits to the supply chain in a cost effective way" (La Londe and others, 1988:5). In line with this focus, Coyle, Bardi and Langley consider customer service as a mixing of logistics activities that create time and place utility consistent with customer needs. They further their explanation of customer service by stating that no matter what sense of logistics is being discussed, the end product of logistics is to provide services consistent with customer expectations and needs (1992:81).

Surprisingly, despite the military's recent customer service push in the light of integrating the Total Quality Management philosophy, no clear definition of customer service exists in the literature. A rough definition can be formed, however, by combining the military definitions of customer and service. According to the Air Combat Command Quality Handbook, a customer is defined as "the individual or group that receives the output produced by the supplier" (1992:33). This same publication defines service as "useful labor that does not provide a tangible commodity to a customer" (35). Combining the philosophy of these definitions, one can conclude that, to the military, and at least to Air Combat Command, customer service is providing

an intangible benefit to an individual who is receiving the output provided by the supplier. Therefore, in the context of this study, customer service is the intangible product supplied to individuals or organizations by the aerial port in conjunction with cargo movement operations.

The definitions of customer service and the explanation of internal and external customers presented in this section in no way encompass the entire body of customer and customer service definitions. They are intended to provide an overview of what customer service means and to provide the reader with varying perspectives of the ideas surrounding customer service. From the definitions addressed, customer service primarily encompasses the idea of customer needs and the provision of activities by an organization to meet those needs. If an organization searches for, understands, and works diligently to meet the needs of the customer, the organization should be able to build an image that is almost unbeatable (Coyne, 1993:5).

Customer Service Philosophies and Research

This section addresses philosophies and recent research in the field of customer service. The findings of the research and philosophies of experts in the field of customer service form a basis for the research addressed in this review.

La Londe, Cooper and Noordewier conducted a 1987 study to re-examine the field of customer service and the changes that had taken place since the initial study by La Londe and Zinszer in 1976. The objectives of the study were to identify the primary themes during the past 10 years in customer service literature, identify the primary factors that have affected the customer service area in the past 10 years and how they affected it, determine how the customer service baseline has changed over the past 10 years, determine the most effective ways to integrate customer service practice into the firm's strategic plan, and identify future scenarios for the role of customer service in the firm (1988:2).

The research identified five differences between past and present feelings toward customer service. These findings are shown in Table 1 on page 16.

In 1989 Lambert and Harrington conducted a study to determine if focusing on what is important to the customer could result in the firm's gaining advantage in the market place. They concluded that focusing on what is important to the customer is indeed important in achieving market advantage (46). Additionally, the researchers concluded that customer service variables are integral and necessary to industry and should be a part of corporate strategy (42-58).

TABLE 1

RESULTS OF THE La LONDE, COOPER, AND NOORDEWIER STUDY
(La Londe and others, 1988:5)

1. Customer service has moved from a descriptive/reactive activity of the 1970s to a proactive/management activity of the 1980s.
 2. Customer service awareness is approximately the same in 1987 as it was in 1976 but what is different is how management differentiates service levels.
 3. In 1976, customers defined customer service as a function or performance standard; however, in 1987 they defined it as a process.
 4. Technology was also identified as a contributing factor in the organization's ability to make customer service proactive.
 5. Finally, evidence suggested that customer service is becoming an important activity in strategically differentiating the product or service of a company.
-

Juran states that customers' needs must be discovered and acted upon (1989:97). To identify these needs, he proposes several methods for discovering customers' needs. These methods are detailed in Table 2 on page 17. Simulations, as proposed in item four of Table 2, are limited but can provide useful information to the organization.

TABLE 2

JURAN'S METHODS FOR DISCOVERING CUSTOMERS' NEEDS
(Juran, 1989:97-101)

1. Become a customer to attain first hand experience of the product or service your organization provides.
 2. Communicate with customers. Learn why the customer buys your product or seeks your services in an effort to better those products or services.
 3. Research the market in an attempt to identify market needs, how your organization's service or product compares to others, and what is the significance of differences in the product or service.
 4. Simulate customer use. Test and compare your organization's product or service under laboratory conditions to determine quality.
-

According to Juran, if the organization searches for the needs of the customer, and works to meet those needs, the organization will attain insights and perspectives that might otherwise not be emphasized by the organization (1989:104). Emphasis in these areas could be the difference between success and failure of the organization.

Flanagan and Fredericks state that customer input aids organizations in their prioritization of improvement activities along customer needs, rather than according to often divergent opinions by management (1993:239). Knowing the needs of the customer, however, is futile if the needs are not incorporated into the processes of the organization. Organizations should seek input, equate that input into

objectives, formulate a plan of action, initiate the plan, and follow up on the actions by ongoing measurement and monitoring (240). Synchronization of improvement efforts with customer needs leads to optimal resource allocation of the organization (258). Optimal resource allocation is a necessity for the military under present conditions.

To determine the needs of customers, organizations must actively solicit the ideas and recommendations of customers. There is no best method for accomplishing this task. There are, however, several methods that should be considered and employed when possible. These methods are face-to-face one-on-one contact, formal research, front-line contact with competitors, customer toll free hotlines, comment and complaint analysis, and consumer advisory panels (Zemke and Schaaf, 1989:31-34). The correct use of any or all of these methods can provide the first step toward an effective customer-service-oriented organization.

Graham states that "keeping your eye on the customer is all that counts" (1993:11). Communicating with customers to find their needs and desires is only part of the purpose of communication. Organizations need to also communicate a sincere and meaningful sense of appreciation to the customer if a genuine relationship between the customer and supplier is to develop (12). Just meeting customer needs is not enough. Showing gratitude to the customers for doing business with your organization and letting the customers

know their business is valuable to the success of the company is just as important.

Although actively communicating with customers and seeking their opinions and desires are extremely important, an organization must not stop at this point. According to a study conducted by Foster, Strasser and Thompson in 1992, written customer service policies greatly increase an organization's commitment to customer service, support increased customer service training programs, result in better communication within and between an organization's departments, and provide an increased emphasis toward service over cost. No matter how important the written policy is to the company, taken alone, it is still not enough. The organization must incorporate performance measures relating to the written policy, continually assess performance based on these measures, and reward employees for improved customer service practices (9). Experience in this area by the researchers leads to the conclusion that this incorporation is not easy to accomplish, however, and great care must be taken to create an environment in which reward is not the only reason employees improve in the area of customer service.

This section relates the research findings and philosophies of recognized leaders in the field of customer service and quality. Clearly, this research identifies that

customer service is imperative to the success of organizations today.

The Importance of Customer Service

The importance of customer service within the marketplace has gradually increased due to a variety of variables. First, the American economy is based on service; three-fourths of the gross national product and nine out of ten new jobs are created in the service sector. Second, service quality's rising prominence is proving to be a winning competitive strategy (Zeithaml and others, 1990:1). Finally, consumers' expectations have changed. Consumers now put as much emphasis on service as they do on the product they are buying. Quality service is seen as part of the purchase; therefore, consumers feel they are entitled to it. Service expectations are higher today, and will continue to grow. This change is due to the increase in customer sophistication. With greater sophistication comes less willingness to believe that a product by itself, without service and support, can do the job it is supposed to (Davidow and Uttal, 1989:16-17).

Customer service continues to be important in today's business for both service industries and those providing a product. The focus of these companies has changed, however. This focus has shifted to a process approach (La Londe and

others, 1988:5) and requires the organization to be more proactive in its attempt to identify and meet customer needs (Flanagan and others, 1993:239).

Providing quality customer service techniques based on customer inputs not only increases the appeal of the company's product or service it also conveys to customers an image that the organization is a reliable, quality organization. Customer perceptions of a company in any market are the most important determinant of an organization's sales or share of the market. A negative perception of the organization based on poor customer service practices is often difficult to overcome. In some situations, the organization may never rebound from the negative perception (Christian, 1993:24).

Customer perceptions about an organization can often prove to be more important and have a greater impact on customer loyalty than the product or service provided by the organization. The ability of employees and managers to understand and anticipate the needs of customers can result in better customer performance and similarly, better customer perceptions of the organization (Matthes, 1993:7).

Meeting needs is not good enough, however. Customers must be treated well if an organization is to have a complete customer service attitude. Today's customers endure delays, errors, and abuse during service activities even though they might eventually receive the product or the

service they need or desire (Weaver, 1991:4). Companies must proactively determine customer needs, meet those needs and show appreciation to those customers if the company is to succeed and prosper under present conditions (Zemke and Schaaf, 1989:31-34; Graham, 1993:12; Flanagan and others, 1993:239). Customer service is not just important, it is mandatory. The better an organization becomes at meeting the needs of its customers, the better the business will become (Barrier, 1991: 21). Further, the better the business becomes, the more the customers will use the company's service or product (Disend, 1991:13-14).

A customer service crisis is building throughout the business world, and most managers don't know it. Even those who do don't understand how to cope with the crisis. According to Davidow and Uttal, "the price of their ignorance will be high: by the 1990's, thousands of businesses will be shaken and even shattered by their inability to render effective service" (1989:1). The spoils will go to the few companies that recognize the crisis and out-service their competitors (1).

Today, more than ever before, enterprises must create value for their customers in a way that is demonstrably superior to that of their competitors if they hope to survive the sweeping upheavals now shaking the foundations of business management. (Band, 1991:1)

It has become obvious to many that companies will have to address their customer service policies if they are to be

successful. Today, there is an emerging consensus among leading organizations that they must put one strategy ahead of all others--to continuously increase value to customers (Band, 1991:v). This is not only a matter of profit margin but also of survival.

Customer service is no less important in military organizations. The idea of customer service applies to the interaction between organizations supporting military readiness (Dahl and Bass, 1993:23). In 1988, Secretary of Defense Carlucci issued the Department of Defense Posture letter that set the foundation for the quality movement in the Air Force (1988). Since that time many commands have instituted quality programs. For example, The Pacific Air Force Command (PACAF) released The PACAF Quality Improvement Guide. The guide established nine quality principles that all assigned personnel were to practice. Three of these nine mentioned the importance of the customer and the service the customer received (1992:vii). It is apparent that for the Air Force quality program to succeed, similar to commercial industry, it will have to be able to determine the desires of its customers and be proactive.

Customer Service Criteria

The identification of service criteria that are most

important to the customer is a common theme in research. This identification is not an easy process. Common problems in selecting customer service criteria range from the lack of existing standards to explicit standards defined in terms of corporate rather than customer needs (La Londe and Zinszer, 1976:3). According to Karl Albrecht, "we have to set aside our preconceived ideas about what the customer experience should be and find out what it really is" (1992:120). He states that "once we understand the experience we can ask more intelligent questions aimed at discerning attributes" (120).

An organization must determine the key dimensions used by the customers themselves in their evaluation of customer service rather than what the survey designers see as important (Christopher and others, 1979:173). To remedy this situation, researchers recommend specific techniques. First, Albrecht discusses the hierarchy of customer value (Fig. 1, page 25).

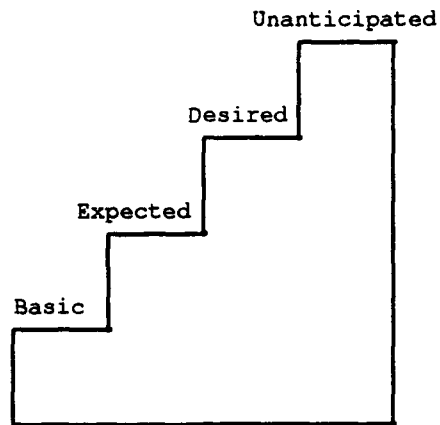


FIGURE 1. THE HIERARCHY OF
CUSTOMER VALUES (Albrecht, 1992:113)

There are four customer value areas: basic, expected, desired, and unanticipated. The basic value is the absolutely essential attributes of the experience, tangible or intangible. The expected value is the associated attributes of the experience that the customer has come to take for granted as part of general business practice. The desired value is attributes the customer doesn't necessarily expect, but knows about and appreciates if the experience includes them. The unanticipated value is "surprise" attributes that add value for the customer beyond his or her typical desires or expectations. It is important to note that the last two values will have little or no effect on the service encounter if the first two do not exist (1992:112-114).

There are four fundamental questions that can be asked to discern customer value:

- 1) What attributes of the customer experience are of peculiar value?
- 2) How desirable is each attribute relative to the others?
- 3) How well do we score, compared to the relevant competitors on those factors that are most important?
- 4) What can we do to add value to the customer experience and thereby provide a differentiated or breakaway experience? (Albrecht, 1992:120)

These four questions will assist the organization in determining its customer service criteria.

The research also provides a host of customer service criteria that the researchers find important to most consumers. Bhote determined that timeliness, accuracy/completeness, cooperation, responsiveness, guidelines/options/alternatives, and overall effectiveness are all important components of customer criteria (1988:74). Zeithaml, Parasuram, and Berry defined five critical areas by which customers judge a service company:

- a. Tangibles. The appearance of physical facilities, equipment, personnel, and communication materials.
- b. Reliability. The ability to perform the promised service dependably and accurately.
- c. Responsiveness. The willingness to help customers and to provide prompt service.
- d. Assurance. The knowledge and courtesy of employees and their ability to convey trust and confidence.

- e. Empathy. The provision of caring, individualized attention to customers. (1990:29-38)

The Malcolm Baldrige National Quality Award was established in 1987 to promote quality in American companies. It evaluates seven areas within organizations: leadership, information and analysis, strategic quality planning, human resource development and management, management of process quality, quality and operational results, and customer focus and satisfaction. Of these areas, customer satisfaction is weighted the heaviest in its evaluation. Within the customer satisfaction area are seven key criteria:

- a. customer expectations: current and future
- b. customer relationship management
- c. commitment to customers
- d. customer satisfaction determination
- e. customer satisfaction results
- f. customer satisfaction comparison. (1993:15)

These criteria are used to evaluate the quality programs of the top American firms.

The exact focus of the most important criteria for any given firm will depend on the industry (Lambert and Harrington, 1989:50). La Londe and Cooper determined that the most important customer service element to shippers in selecting a public or contract warehouse was the supplier's productivity measurement system (1989:B4).

The literature clearly imparts the importance of selecting customer service criteria. Although the customer service criteria might vary among industries, the customers' requirements for reliability, responsiveness, and commitment are generally consistent for any organization (Dahl and Bass, 1993:30). No federal studies are available that question the selection of customer service criteria in which customers were asked what criteria is important to them.

Service criteria will not benefit any organization unless it can measure them. The next section will touch on measuring and evaluating service performance.

Customer Service Measurements

According to Davidow and Uttal, "measurement closes the loop that began with strategy, showing managers how well their strategies are working and underlining weaknesses in the other elements of service" (1989:205). In other words, the organization can have the best intentions, but without a method to measure performance it will not be able to react to a change in customer expectations.

The measurement of customer service is not an easy undertaking. One of the most challenging aspects of managing quality of service is to create reliable measurements of the service provided to customers (Albrecht, 1992:187). Christopher and others, reiterate this finding:

Successful change in behaviour of the customer's organization should result in measurable response to the new service stimulus in terms of global measures, such as patronage shifts, changes in market share, or reductions in cost. Achievement of these goals is, however, the most difficult part of the process of evaluation. "Do sales increase as a result of a particular strategy?", cannot be answered directly without taking into account of the potential influences in sales, advertising, or competitors' actions. Makes service strategy evaluation virtually impossible. [sic] (1989:150)

Measuring service performance is different from measuring product quality, because service is an experience. The best measurement systems consist of three different aspects of service: process, product, and customer satisfaction (Table 3) (Davidow and Uttal, 1989:185).

TABLE 3
MEASUREMENT ASPECTS OF SERVICE

Measures	Definition
Process	Compares the actual work employees perform with standards of quality and quantity.
Product	Shows whether that work has produced the desired result, such as delivering packages when customers want them delivered.
Satisfaction	Looks at the extent to which customers are satisfied with the service they have received.

While these experts suggest that all measures are important, other experts denote distinct difference between customer service measures and product quality measures. The ultimate goal of this service is customer satisfaction; therefore, customer service measures that reflect a customer orientation as opposed to a management orientation are more effective in active customer service programs (La Londe and others, 1988:8).

Clearly, the measures used by various industries are different, and the experts differ on what should be included in these measures; however, it is evident that everyone agrees measurement is necessary. Albrecht states "that every organization needs a carefully thought out approach to measuring customer value and the critical organizational processes that create it" (1992:69).

Summary

This chapter defined customer service, documented research in customer service, discussed the importance of customer service, customer service criteria, and customer service measurement. A number of corollaries can be drawn from the literature review:

- a) The research in commercial industry and the increase of customer service awareness in the DoD and Air Force highlight the importance of customer service.

b) A written customer service policy is an essential factor of an effective customer service program within an organization.

c) Customer service criteria must be established from the point of view of the customer, not what management believes is the point of view of the customer.

d) Customers' needs should be determined proactively and those needs integrated into daily operations; continual re-assessment of those needs can be the key factor of the success or failure of the organization.

e) Research differs as to what should be measured; however, it is clear that at least part of the measurement design should include specific customer satisfaction measures.

These conclusions clearly do not address all the issues within the customer service area; however, these are essential to every successful program. These will assist in the development of a methodology in this research effort and provide guidance in a search for successful customer service practices in the air cargo industry.

III. Methodology

Overview

This chapter describes the methodology used to benchmark the best customer service practices of air cargo industry leaders. This methodology was adopted from a study by Abalateo and Lee in which benchmarking was used in conjunction with a case study approach (1993:31). The chapter is divided into three parts. First, the research design is discussed, followed by a discussion of validity and reliability. Second, data collection techniques to include purposeful sampling, investigative study, pilot study, pretest, and personal interviews are presented. Finally, to determine how the Air Force can learn from air cargo industry leaders, a description of the method used to analyze the findings is presented.

Research Design

Emory defines research design as a "plan and structure of investigation so conceived as to obtain answers to research questions" (1991:138). According to Merriam, "it is a plan assembling, organizing, and integrating information (data), and its results in a specific end product (research findings)" (1988:6). The case study is one of the qualitative research designs in which in-depth

interview and observation techniques are used to gain understanding of a particular subject (Bogdan and Biklen, 1982:27). It can further be defined as an intensive, holistic description and analysis of a single entity, phenomenon, or social unit (Merriam, 1988:16).

Benchmark is defined in Webster's Dictionary as a "point of reference from which measurements may be made; something that serves as a standard by which others may be measured" (1981:102). According to Altany,

Benchmarking is the formal process of measuring and comparing a company's operations, products, and services against those of top performers both within and outside that company's primary industry. (1991:52)

Camp defines benchmarking as "the continuous process of measuring products, services, and practices against the company's toughest competitors or those companies renowned as industry leaders" (1992:3). Benchmarking is defined in this study as searching for the best customer service practices of air cargo industry leaders and comparing them to current Air Force practices.

Validity and Reliability

Although case studies have been described as being "scientifically worthless" because they do not meet minimum scientific requirements for comparison, a well-defined case

study can provide a source of new hypotheses and constructs (Emory and Cooper, 1991:143).

To ensure this research is reliable and valid, the researchers intend to use triangulation, or using multiple data sources and methods to confirm findings, and cross-case analysis to search for generalizations and patterns among cases (Patton, 1980:331). This research study will use these measures to ensure validity and reliability in the case study analysis.

Data Collection

Purposeful Sampling. Researchers should determine what cases contribute the most and best information pertinent to the research effort and select those cases for study (Patton, 1980:101). For this study, the air cargo industry is targeted for study. No ranking for the "best" carriers was found in the literature; therefore, sales is used as the criteria for carrier selection (as determined by Abalateo and Lee, 1993:33). The selection of the specific aerial port for the study is based on information obtained from Headquarters, Air Mobility Command, regarding tonnage moved and current customer service practices. Information used in the selection of the port is presented in Chapter IV. The number of carriers selected is intended to be small to allow ease of data collection and to focus on depth of

information instead of breadth (Abalateo and Lee, 1993:34). After selecting the carriers, the researchers performed an investigative study to pinpoint the essential areas of the study.

Investigative Study. To improve familiarity with the research topic, an investigative study was conducted with staff officers at Headquarters, Air Mobility Command. Preliminary investigative and sixteen research questions were faxed to the Headquarters and reviewed. After this review, the researchers contacted the Headquarters and discussed their thoughts and attitudes concerning the approach and format of the research. Concerns were addressed and an additional question was added to the original list of questions.

Pretest of Interview Questions. After the investigative study was conducted and interview questions were developed, a pretest was conducted. Pretesting can detect weaknesses in survey instruments and relies on colleagues, respondent surrogates, or actual respondents for the purpose of evaluating and refining a measuring instrument (Emory and Cooper, 1991:377). The purpose of the pretest is to ensure validity and reliability of the interview questions and guard against interview bias. The pretest also helps prepare the researchers for the subsequent interview and allows constructive feedback (Abalateo and Lee, 1993:36). The pretests were administered

to colleagues at the Air Force Institute of Technology (AFIT). These twelve respondents were all professional transportation officers and graduate faculty members with experience in transportation issues and research technique and procedure. A copy of the initial interview questions is located in Appendix A. At the conclusion of the pretest, all responses were analyzed, and changes were made to interview questions to improve clarity and understanding.

The air cargo carriers and aerial port squadron were then contacted by phone to schedule site visits and interviews. Initial phone calls were followed by an official letter which addressed the basic issues of the study. An example of this letter is located in Appendix B. A copy was faxed to each company with a duplicate copy mailed to ensure each company received the information. Follow-up phone calls were made to answer questions and finalize dates and times for interviews.

Pilot Study. A pilot study was conducted to detect weaknesses in design and instrumentation (Emory and Cooper, 1991:88). One air cargo carrier, Emery Worldwide, served as a pilot study organization. Through the pilot study, researchers gain further familiarity with the research topic and refine data collection techniques (Abalateo and Lee, 1993:35).

A site visit and a personal interview session were conducted with the hub manager, and four other managers at

Emory Worldwide. The visit and interviews were conducted to determine if the research questions were appropriate and generated useable responses. In addition, recommendations and suggestions made by those interviewed were incorporated into the final interview questions. In conjunction with the investigative study, this study focused the research and developed an effective interview process for the researchers. Questions asked in this study are located in Appendix C.

Interview Process. Detailed in-depth interviews were accomplished using the interview questions and techniques developed earlier. Personal interviews were used instead of telephone or mail interviews due to the greater depth and detail of information that can be obtained through such an interview (Emory and Cooper, 1991:320). All interviews were standardized and recorded to eliminate potential omission or misinterpretation of pertinent data. For clarification purposes, telephone interviews were used to follow up on some responses.

The investigative questions designed in Chapter I served as the basis for the interview questions. The investigative questions, followed by the interview questions used to answer the investigative question, are listed below. All responses to interview questions can be found in Appendices D through J.

1. *Who are the U.S. air cargo industry leaders?*

Chapter IV contains the information for this determination. This information was extracted from the completed thesis of Abalateo and Lee.

2. *What are the differences between the Air Force and air cargo industry leaders' approaches to customer service?*

a. *Does a proactive approach to customer service exist?*

Interview Question One. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Interview Question Two. Which technique do you find most effective of those mentioned in your response to question one and why?

Interview Question Three. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

b. *Does the organization have a written customer service policy?*

Interview Question Four. Does your company have a written customer service policy? May we have a copy?

Interview Question Five. If so, how is the customer service policy distributed throughout your organization?

Interview Question Six. Do you believe this policy provides your company any competitive advantage over other air cargo carriers? And why?

c. *Does the organization follow up on customer service inputs?*

Interview Question Seven. How does your company follow up on customer service complaints/comments?

Interview Question Eight. What priority are customer service inputs given in the day-to-day operation?

Interview Question Nine. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

d. *Are employees committed to customer service?*

Interview Question Ten. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Interview Question Eleven. Do all employees know who their customers are? If so, who are they?

Interview Question Twelve. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

e. *Does a measurement system exist?*

Interview Question Thirteen. Does your company regularly track customer service comments and complaints? If so, how?

Interview Question Fourteen. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

f. *What role does information technology play in the organization's customer service practices?*

Interview Question Fifteen. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Interview Question Sixteen. What kind of information is generated from these systems, and how is that information used in your customer service program?

Interview Question Seventeen. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Interview Question Eighteen. We have asked several questions concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not

addressed that you believe are important and critical to our analysis?

Findings and Analysis

Upon the completion of all of the interviews, the researchers analyzed the data, including information obtained through the literature review, by looking for common themes or patterns. Uncovering patterns, themes, and categories is a difficult task and requires researchers to determine what is considered important in the data (Abalateo and Lee, 1993:41). After careful analysis, any gaps, or differences, between the air cargo industry and the Air Force were identified. These gaps served as recommendations to the Air Force for possible integration in aerial port operations.

Summary

The case study design described in this chapter included purposeful sampling, an investigative study, a pilot study, and personal interviews. These were used to benchmark the best customer service practices of air cargo industry leaders. The methodology used to answer the investigative questions of this study was described. The

next chapter presents the findings and analysis of the literature review and the interviews.

IV. Findings and Analysis

Overview

In this chapter, the research findings and an analysis of each investigative question are presented. Tables summarizing company responses follow a brief analysis of each investigative question. Finally, common customer service practices among the air cargo leaders are presented.

The appendices, which provide paraphrased answers to interview questions with each air cargo carrier and an aerial port, are summarized in Table 4.

TABLE 4

INTERVIEW APPENDICES

Company	Appendix	Page
A	D	80
B	E	122
C	F	146
D	G	162
E	H	186
F	I	202
Air Force (AF)	J	211

The comments contained in these appendices are summarized in Tables 6 through 11. Triangulation, or

multiple data sources, to analyze findings, and cross-case analysis, to identify general categories and patterns, are employed to ensure reliability and validity in the data (Patton, 1980:331). Gap analysis is then performed to assess the difference between customer service practices of air cargo industry leaders and the Air Force.

Investigative Question One

Who are the U.S. air cargo industry leaders?

This is a follow-up study to a completed thesis by Abalateo and Lee, who determined the leading air cargo industry leaders through an extensive literature review. These carriers are shown in Table 5.

TABLE 5

AIR CARGO INDUSTRY LEADERS (1993:45)

United Parcel Service

Federal Express

Emery Air Freight

DHL Airways

Burlington Air Express

Airborne Freight

Federal Express and Airborne Freight primarily provide express delivery of small packages, while Emery Freight and Burlington Air Express focus on the movement of heavy freight. United Parcel Service and DHL Airways, two private companies, center on delivering virtually any type of cargo anywhere in the world (Abalateo and Lee, 1993:48).

The selection of the Air Force aerial port was made based on the expert opinion of the Headquarters Air Mobility Command staff. It was determined that the aerial port at Charleston AFB, SC would be used as the Air Force focal point for this analysis. This determination was based on the advanced quality initiatives and customer service orientation in existence at this aerial port. These initiatives, such as the use of performance measures, repetitive quality improvement training, and a team-based quality infrastructure, are specific to Charleston AFB and are deemed as the model for the rest of the Air Force aerial ports to emulate. Further, the port's orientation to customer service is considered exemplary. An explanation of the operations at Charleston AFB is located in Appendix K.

Investigative Question Two

What are the differences between the Air Force's and air cargo leaders' approaches to customer service?

a. Does a proactive approach to
customer service exist?

The determination as to whether a proactive approach exists among the organizations under study, was accomplished by asking the first three interview questions and analyzing the managers' responses. A brief summation of their responses is shown in Table 6 on page 47. The methods used to assess customer service varied considerably. Similarly, the one method identified as most effective varied by managers as well. Due to the large variety of responses, determination as to whether the organization is proactive or reactive in its efforts to determine customer service levels could not be determined from these responses. When asked if the most effective method is proactive or reactive, the answers also varied. Although several managers stated their approach was proactive, the predominant technique throughout the industry--the use of delivery standards--is reactive in that a service problem is addressed only after it has occurred.

TABLE 6
INVESTIGATIVE QUESTION 2a -- DOES A PROACTIVE APPROACH TO CUSTOMER SERVICE EXIST?

Proactive Approach	A	B	C	D	E	F	AF
Techniques	Delivery Standards, Conference Calls, Number of Complaints, Personal Contact	Computerized Performance Reports, Shipping Labels, Internal Customer Surveys	Personal Contact, Time in Transit Studies, Time Standards	On-time Delivery, Audit Sheets, Operation Feedback Reports, System Arrival Standards	Aircraft Departure Standards, Sort Delays, Daily Operations Analysis, On-time Delivery, Personal Communication	Operation Reports, Survey Feedback, Personal Conversation, Customer - Supplier Alignment	Metric System - Damage - Timeliness - Accountability, Customer Service Letters, Questionnaires, Personal Contact
Most Effective	2 of 5 Responded Delivery Standards	Varied by Respondent	Varied by Respondent	Varied by Respondent	Varied by Respondent	2 of 2 Responded Survey Feedback	2 of 5 Responded Direct Contact
Proactive or Reactive	3 of 5 Responded Proactive	2 of 3 Responded Reactive	Varied by Respondent	2 of 3 Responded Proactive	Varied by Respondent	2 of 2 Responded Proactive	2 of 5 Responded Reactive

b. Does the organization have a written customer service policy?

Interview questions 4, 5, and 6 address each company's customer service policy. The responses of each company are shown in Table 7 on page 49. Half of the companies indicated that their company has a written customer service policy. However, their customer service policies, as they defined them, were actually mission statements or service practices. Specific written customer service policies in themselves were not identified or made available for the researchers to study. From this situation, the researchers contend that a written policy addressing customer service does not exist. The managers' "improper" responses to this question indicate a lack of understanding of the difference between a written customer service policy and a mission statement that addresses customer service. Regardless of the existence of a written policy, all companies indicated that the policy itself does not constitute a competitive advantage for the company. Each company indicated that the philosophies and actions of its employees serve to enhance the competitiveness of the company rather than the existence of a written policy.

Regardless of the form in which the policies espoused by the company exist, the ideas and principles are well distributed throughout the organization.

TABLE 7
INVESTIGATIVE QUESTION 2b -- DOES THE ORGANIZATION HAVE A
WRITTEN CUSTOMER SERVICE POLICY?

Written Policy	A	B	C	D	E	F	AF
Does it Exist?	No	Yes	No	Yes	Yes	No	Yes
Distribution throughout Organization	N/A	Bulletin Board, Corporate Magazine, Back of Airbill, Indoctrination Training	N/A	Service Center Managers, Verbal Communication	Field Stations, Bulletin Boards	N/A	Bulletin Boards, Flight Responsibility, Flight Commanders and Key Personnel, Every Workcenter
Competitive Advantage	N/A	No	N/A	No	No	N/A	No

c. Does the organization follow up on
customer service inputs?

Interview questions 7, 8, and 9 address the methods, priority, and problem resolution times for each company. The summarized responses of each company are shown in Table 8 on page 51. The responses concerning the methods used for follow up are somewhat varied. Common methods include face-to-face contact, the use of messages, the use of e-mail, and telephone contact. Two aspects of follow up that almost every company addressed were the method and an acceptable time for that follow-up action. Each aspect is situation specific. Each company uses the most appropriate method to fit the situation and allows enough time to ensure that proper feedback can be given to the customer.

The priority given to customer inputs is common throughout the industry. Each organization considers the input of its customers, whether internal or external, to be the top, or the highest, priority within the organization. Some organizations qualified this priority according to the type of input and the importance of the customer when compared to the other customers of the company. Regardless of this qualification, the priority given to these inputs is considered important to the organization.

TABLE 8
INVESTIGATIVE QUESTION 2c -- DOES THE ORGANIZATION
FOLLOW UP ON CUSTOMER SERVICE INPUTS?

Follow up	A	B	C	D	E	F	AF
Methods	Phone, Message, E-Mail, Letter	Computer Rip, Phone, E-Mail, Face-to-Face	Situation Dependent, Personal Contact, Phone, E-Mail	Process Facilitation, Face-to-Face	E-Mail, Two Message Format	Detailed Note or Verbal Response, Account Dependence	Status Dependent, Verbal Response, Message, Phone, Point Paper
Input Priority	Top, Very High, First, Number One	Utmost, Top	Top, High	Triple A, Absolutely Paramount, Very High	Real High, High	Absolute Top, Number One	High, 100%, A lot, Very High, Type Specific
Resolution Time	Dependent on problem, 30 - 60 min, < 24 hrs	End of Operating Day, 30 min, < 60 min	Problem Dependent, 5 min - 5 days, As soon as solved	Immediate, Today - When possible, Next Morning	As Quickly as possible, 24 hours	24 hours	As soon as possible, As long as it takes, Depends on severity, 2 wks - 30 days, Destination and Channel Related

d. Are employees committed to customer service?

Interview questions 10, 11 and 12 address the training, customer awareness and employee appraisal systems of each company. The summarized responses of each company are shown in Table 9 on page 53. For the most part, formal customer service training is not conducted for every employee within the questioned organizations. The personnel receiving formal customer service training are the individuals who have the most interaction with the companies' external customers. Training is provided for the other employees, but it is focused on operations within the company and only indirectly encompasses customer service issues.

Customer awareness is common among the studied organizations. The focus, however, is on the external customer. Only a few managers mentioned their internal customers.

The inclusion of customer service issues and performance in the employee appraisal system is unanimously stated by responding managers as existing in their company. However, the primary rating areas for the employees are operational in nature and only indirectly address customer service. The common belief among the managers is that if the employees are doing their primary job well, and held accountable through the rating system, the customer service provided by the company will be enhanced and improved.

TABLE 9
INVESTIGATIVE QUESTION 2d -- ARE EMPLOYEES COMMITTED TO CUSTOMER SERVICE?

Customer Service Commitment	A	B	C	D	E	F	AF
Training (Initial/Follow-up)	No, No, No, No, Yes	Yes, No, No	Yes, Yes	Yes, No, Yes	Yes, Yes	Yes	No, Yes, No, Yes, Yes
Awareness (Internal/External)	Yes - External, Yes - External, No, Yes - External, Yes - External	Yes - Internal and External, Yes - External, Yes - External	Yes - External, Yes - External	No, Yes - Internal, Yes - Varies by location	Yes - External, Yes - Internal	Yes - Internal and External	No, No, No, Yes - Unsure of Response
Appraisal System (Direct/Indirect)	Yes - Both, Yes - Indirect, Yes - Indirect, Yes - Indirect, Indirect, Yes - Indirect	Yes - Indirect, Yes - Indirect, Yes - Indirect	Yes - Indirect, Yes - Indirect	Yes - Indirect, Yes - Indirect, Yes - Indirect	Yes - Indirect, Yes - Indirect	Yes - Direct	Yes - Indirect, Yes - Indirect, Yes - Indirect, Yes - Indirect, Yes - Indirect

e. Does a measurement system exist?

Interview questions 13 and 14 address the customer input tracking mechanisms in the companies and the resulting reports, if generated, and report distribution for each company. The summarized responses of each company are shown in Table 10 on page 55. Tracking mechanisms for customer inputs exist to some degree in every company. The use and application of these mechanisms vary from company to company. Many managers are aware that a mechanism is in place but they are not familiar with the internal workings of the system.

Due to the low level of awareness by the managers of the tracking mechanism itself, their awareness of the reports that are generated is limited. Many managers indicated that reports are generated but they do not know how they are prepared and how they are used. Some managers indicated that management was included in the distribution and the reports were used to identify and track the resolution of problems. No manager in any civilian company indicated that the reports are distributed to non-management personnel.

For the most part the reports that are generated and distributed are informal. The need for a formal reporting system is considered unnecessary to an effective tracking system.

TABLE 10

INVESTIGATIVE QUESTION 2e -- DOES A MEASUREMENT SYSTEM EXIST?

Measurement System	A	B	C	D	E	F	AF
Track Inputs	No, Yes, Yes, Yes, Yes - In Hub	No, No, Yes - External	No, Yes	Yes, Yes, Yes	Yes, I don't Know	Yes	No, Yes, Yes, Yes, Yes
Report Generation	No, Yes, No, As Necessary, Yes	No, Yes, Yes	N/A, Yes	No, N/A, No	Yes, No	Yes	No, Yes, Yes, Yes, Yes
Report Distribution	N/A, I don't know, N/A, Hub Director, Managers	N/A, I don't know, Managers	N/A, Managers	N/A, N/A, N/A	I don't know, Personal Use	Management	N/A, Quality Council, Management, Staff, Bulletin Boards

f. What role does information technology play in the organization's customer service practices?

Interview questions 15, 16, and 17 address the information systems for each company. The summarized responses of each company are shown in Table 11 on page 57. Without exception, each company possesses a computer system that spans the organization. This system provides virtually unlimited information to the members of the organization concerning operations. This system and the information that is generated from this system serve as valuable assets for the company's customer service program. Commonly, the system and associated information are used to determine the status of shipments in the company's pipeline. This information is then used to answer customer inquiries.

Systems that provide intransit visibility for shipments in the company's pipeline are not in existence in all companies; however, companies that do not possess such a system are presently working toward the development of a system that will provide this service. Even though some companies presently possess a tracking system and others are working toward such a system, the consensus among the managers is that this capability is more important to the customer than to the operation of the company. Each company provided outstanding service prior to the development of a tracking system and developed the system only to provide a service it perceived its customers desire.

TABLE 11

INVESTIGATIVE QUESTION 2f -- WHAT ROLE DOES INFORMATION TECHNOLOGY PLAY IN THE ORGANIZATION'S CUSTOMER SERVICE PRACTICES?

Information Technology Systems Information Generated	A	B	C	D	E	F	AF
	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Situational, Shipments, History, Delivery Performance, Aircraft Use Rates, Cargo Status, Account Profiles, Package Status, # Of Missorts, Damaged Shipments	Situational, Prior Operations	On-Time Delivery, # of Planes Delayed, Minutes Late, Packages Held, Ease of Communication	Piece Counts, Destinations, A/C Util and Performance, Fuel Burns, Taxi Time, Arrival and Departure times, Reasons for Delays, Cargo Onboard	Flight Time, Departure and Arrival Times, Cost per ton mile, Freight Carried, Stations being Served	Missorts, Scan Compliance	No, Trace Information, Don't Know, No, Late or On-Time
Intransit Visibility	No, No, No, 30%	Exception Basis, No, No	No, Some	Yes - International, No, No	Yes, Yes	Yes	Yes, Yes, Yes, Yes, Yes

Summary

Air cargo leaders involved in this study were determined from the completed study by Abalateo and Lee. The aerial port chosen for participation was determined after conferring with Headquarters Air Mobility Command.

The interview process revealed many consistent customer service practices among the leading air cargo carriers. This information was used to form the following corollaries:

a) Although most commercial managers state that they use a proactive approach to customer service, the method most commonly identified throughout the industry is reactive.

b) A written customer service policy is not prevalent among air cargo carriers. Most commercial managers identify with a mission statement and consider the attitude of the employees crucial to an effective customer service program.

c) Customer service inputs are considered a top priority but the importance of each input is directly proportional to the significance of the particular customer.

d) Formal customer service training is provided only to employees who directly interact with external customers. Other employees receive training that is only operational in nature.

e) Commercial managers believe that their particular appraisal systems do address customer service by addressing operational performance.

f) Tracking mechanisms exist in most companies and reports are generated; however, the preparation and use of these reports are unknown. These reports are seen by management only.

g) All companies possess information systems that are considered crucial to their customer service program. In addition, most companies are pursuing a system to provide intranet visibility due to customer expectations.

These corollaries are the basis for the benchmarking study. The findings of the gap analysis between the air cargo industry and an aerial port are presented in Chapter V. In addition, limitations and recommendations are presented.

V. Conclusions and Recommendations

Overview

A case study approach was used to benchmark the customer service practices of air cargo carriers. Limitations, conclusions, and recommendations are detailed in this chapter.

Limitations

The main limitations in this study are company cooperation, analysis of responses, and time. First and foremost, the researchers encountered considerable difficulty gaining air cargo carriers' cooperation in this study. Originally the research was designed so that each company would provide three to five managers to participate in the interview process. A majority of the companies was reluctant to participate, and, after deciding to participate, were unable to provide the requested number of interviewees.

Second, the analysis of responses was limited due to the varying number of managers and their positions in the cargo movement operation. Due to the limited number of managers interviewed from each company, a thorough determination of company-wide customer service practices is difficult. Furthermore, the managers provided by each

company held different positions within the cargo movement operation and possessed different levels of experience. The result of these factors led to a myriad of responses.

Finally, time constraints limited the interview process and the overall research study itself. Time precluded the researchers from obtaining feedback from the air cargo carriers and the aerial port on the paraphrased responses to the interview questions. Furthermore, the time limitation did not allow an in-depth study which is characteristic of a case study.

Conclusions

The research objective of this study is to compare the current customer service practices of Air Force aerial ports with civilian air cargo industry leaders to determine if areas of potential improvement exist. By employing the case study methodology in this study, this research effort indicates that most customer service practices utilized within the commercial air cargo industry are commensurate with Air Force aerial port squadrons. Customer service practices, consisting of approach to customer service, the use of written customer service policy, and follow up on customer inputs, are all similar. Practices in which the aerial port are deficient include customer awareness and

intransit visibility. The aerial port is superior in customer service report dissemination.

As earlier discussed, the commercial air cargo carrier industry tends to be reactive in its approach to customer service. This approach is also true of aerial ports because they use a metrics system in assessing customer satisfaction. The metrics system will indicate a service problem only after one has occurred.

Also, the existence of a written customer service policy is similar in commercial air cargo carriers and in the aerial port. The aerial port managers referred to their mission statement and quality handbook when asked about a written customer service policy. This response was similar to the managers' responses in the air cargo industry.

In addition, follow up on customer service inputs did not provide any visible differences in practice among air cargo carriers and the aerial port. The importance of input in the commercial industry is determined by the size of the account held by the customer. Likewise, the aerial port determines significance of the customer input by the rank or status of the customer.

The comparison of customer awareness in the commercial air cargo industry and the aerial port indicates that the aerial port was deficient in this area. The predominant response by aerial port management was that its employees were unaware of its customers, both internal and external.

This response is in conflict with the commercial industry whose response was that most of their employees know their customers.

Another process deficient in the aerial port was intransit visibility throughout the pipeline. Although all aerial port respondents affirmed that an intransit cargo visibility system existed, they defined the pipeline in terms of the port system. The commercial industry defined it from the shipper to the receiver. This capability is considered essential to the commercial industry in regards to customer satisfaction; therefore, the aerial port should strive to redefine its cargo movement pipeline to include the shipper and the receiver.

The aerial port was superior in the distribution of customer service information. The use of bulletin boards to post customer service reports throughout the facility to inform all personnel contrasts with the commercial air cargo industry where the customer service reports were limited to management. Furthermore, many of the respondents, managers themselves, from the air cargo carriers were not aware of the distribution of the reports.

Recommendations

Recommendations for the Air Force are discussed in two categories. The first category of recommendations is those

recommended for implementation within the aerial port system. The basis for these recommendations is customer service practices used in the commercial air cargo industry. These recommendations are not limited to practices performed by most of the carriers but are also recommended from "exceptional" practices recognized by the researchers during the interview process.

The second category of recommendations is for further research in this area. Through the research process the researchers determined many different variations on the present study. The information these studies would provide would be beneficial to the Air Force.

Implementation. As a result of this research effort the researchers recommend that the Air Force consider implementing the following:

a. The use of direct customer service rating areas on the Officer Evaluation Reports and Enlisted Performance Reports. One company's appraisal forms contained four specific customer service questions. These questions carried considerable weight in the overall rating for the individual, and addressed internal and external customers and directly tied customer service issues to the appraisal system.

b. The use of 360 degree reviews (appraisals of an individual's performance by superiors as well as subordinates). One company used these reviews to provide

the employees feedback on how they were meeting their internal customers' needs. It also affected their overall performance evaluation, adding importance to the meeting of these needs.

c. The use of focus groups could also assist the aerial port in customer awareness. One company provided a forum where corporate executives sat in a room while customers brainstormed on their needs and satisfaction, as well as the performance of the company.

d. The researchers found that the communication between the corporate executives and the line managers was frequent. Most of the companies' chief executive officers performed conference calls weekly, and in some cases daily, with all the cargo movement managers. This technique could possibly be implemented by Air Mobility Command to facilitate operations among aerial ports.

Further Research. The first potential area for further research would follow the same format as this research effort but would focus on non-management personnel. The findings of this research are based on the opinions of management personnel in the air cargo industry. Asking the same questions to non-management personnel in the same companies and comparing the findings of that study with the findings reported in this study could provide interesting insight into management and non-management views of customer service issues and internal perception gaps.

Second, the investigative questions of this research could be applied to the field stations of the leading air cargo companies. The information ascertained through such a study could be used as a benchmark for assessing Air Force Traffic Management Office (TMO) customer service practices. Both the civilian field stations and the TMOs serve the same purpose and correlations seem to be directly applicable.

Third, an in-depth analysis of a single air cargo carrier could provide valuable and interesting information. Focusing on a single carrier would allow a much more in-depth analysis of the current customer service practices.

Finally, researchers might consider studying these carriers from the viewpoint of a customer. This study could be accomplished by anonymously shipping various package types to the same destination via each of the carriers. Customer service practices encountered by the researchers through the process of shipping these packages could be compared against the practices and policies the companies indicate as in existence within their company. Differences could then be identified as well as the identification of the most customer oriented carrier based on the interactions experienced by the researchers in the shipping process.

Any of these recommendations could be accomplished with the main focus of the study as the commercial industry or the Air Force.

Summary

This chapter provides conclusions and recommendations for implementation by the Air Force based on this study. The researchers found, to their surprise, that there are many similarities between the commercial air cargo industry and Air Force cargo movement operations. The Air Force is superior in the dissemination of customer service reports but is deficient in the areas of customer awareness and intransit cargo visibility. Specific recommendations are proposed for potential implementation by the Air Force. These areas include modification of the employee appraisal forms, the use of 360 degree reviews, the use of focus groups, and increased communication between Air Mobility Command executives and aerial port management.

Additionally, recommendations for further research are provided for researchers who might consider a follow up study based on this study or applying the ideas of this study under slightly different conditions.

Appendix A: Pretest of Interview Questions

Interview Format

Good morning/afternoon/evening. I am Pat Lozon/ Mike McDaniel from the Air Force Institute of Technology's Graduate School of Logistics and Acquisition Management. The Air Force Institute of Technology is a graduate institution where Department of Defense personnel attend graduate level courses in management and logistics related areas. Upon completion of the program students receive a Master of Science degree in Logistics Management. As part of the requirement for completion of the program, my partner and I are required to complete a research project called a thesis. This project is designed to ensure students understand and are able to conduct structured research in an area of interest and benefit to the Department of Defense.

Today/Tonight you will be asked several questions pertaining to customer service practices that are designed to provide the necessary data for our research. These questions and all responses will be compiled and analyzed an effort to determine common practices throughout leaders in the air cargo industry. Findings will be used as a basis for comparison between current practices in existence in current United States Air Force cargo movement operations. Similarities and differences will be determined and recommendations made to the Air Force as appropriate.

You were selected from random from your peers.

Although this interview will be recorded, your comments will be mixed with those of other individuals within and outside your company to ensure your anonymity.

Due to the strict structure of this research, any questions you might want to ask will be addressed at the end of the interview. Further, I will be glad to restate any question but I can't reword any question. If you don't know how to respond, have nothing to say, or have no comment, please say so at the end of the question. This is perfectly acceptable. If this occurs we will simply proceed to the next question. The questions asked to you are identical to the questions asked to other participants.

Do you have any questions? If not let's proceed.

Interview Question One. Which tactics does your company use to assess or customer service needs and satisfaction?

Interview Question Two. Which tactic do you find most effective and why?

Interview Question Three. Is this used proactively or does this tactic provide information only after a customer service complaint has occurred?

Interview Question Four. Does your company have a written customer service policy?

Interview Question Five. If so, how is it disseminated throughout your organization?

Interview Question Six. Do you feel this policy provides your company any competitive advantage over other carriers?

Interview Question Seven. How does your company followup on customer service inputs?

Interview Question Eight. What priority they given in the day-to-day operation?

Interview Question Nine. While mistakes occur in any operation, what do you feel is an acceptable amount of time before a solution problem is found? Is that a written policy or standard?

Interview Question Ten. Do all employees receive customer service training? Do all employees know who their customers are?

Interview Question Eleven. How often do these employees receive additional training?

Interview Question Twelve. Do you make customer service objectives part of your employee appraisal system?

Interview Question Thirteen. Does your company regularly keep count of customer comments and complaints?

Interview Question Fourteen. Are reports on such matters prepared and circulated? Who sees these reports?

Interview Question Fifteen. What information systems exist within your organization that are crucial to your customer service program?

Interview Question Sixteen. If any information systems do exist, do these systems provide intransit visibility? If so, why is this capability important to your company?

Interview Question Seventeen. What kind of information is generated from these systems, and how is that information applied?

Appendix B: Letter of Introduction

26 Apr 94

AFIT/LAR
2950 P Street
Wright-Patterson AFB OH 45433-7765

XXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Dear XXXXXXXXXXXXXXX

Capt Michael McDaniel and Capt Patrick Lozon are two United States Air Force (USAF) transportation officers currently attending the Air Force Institute of Technology at Wright-Patterson AFB, OH. They are working toward a Masters of Science Degree in Logistics Management and, in partial fulfillment of their degree requirements, are asked to complete a thesis in an area of interest to them and the USAF.

Their thesis is a study involving leading commercial air cargo carriers and a USAF aerial port (our counterpart to a commercial hub). They want to examine the customer service practices within this industry, both for internal and external customers, and use their findings as a benchmark for current practices in the USAF. As a result of this research they hope to recommend practices to the USAF based on differences that might exist between the civilian sector and the USAF. Ultimately, these recommendations may help the USAF improve operations and more efficiently spend taxpayer money.

To complete this research, they would like to interview about four to five personnel within your hub located in Louisville, KY. The individuals they would like to interview are those individuals filling positions similar to those within our aerial port. These individuals would include the hub manager, operations officer, and systems controller as examples. These individuals and their job titles will vary according to your organizational structure. They have prepared a standard format consisting of seventeen questions pertaining to customer service attitudes and

practices. No proprietary information will be requested of your organization. The responses to each question will be documented and form the basis of their analysis. The interviews should last between 30 and 45 minutes per person. Identities of the individuals and the corresponding company will be held confidential and not revealed in the thesis.

Upon completion of the research effort, they will send a copy of the final thesis to your company in return for your participation. From this report your company, as well as the USAF, should be able to gain valuable insight into customer service practices within your industry.

I hope this letter is the beginning of a positive dialogue between your company and the researchers. Either Capt McDaniel or Capt Lozon plans to contact you later via telephone in order to answer any questions and work toward actual dates and times for interviews. They may be contacted at (513) 439-2582 or (513) 667-9300 if you have any questions prior to their phone call. You may also contact either of their thesis advisors. They are Major Judy Ford (513) 255-7777 ext 3324 and Dr David Vaughan (513) 255-7777 ext 3350. Either of them is willing to answer any questions concerning this research.

I appreciate how valuable your time is and will make every effort to ensure the researchers alleviate any extraneous burden to you and your employees. Thank you in advance for your support in this research effort.

Sincerely

ROBERT B. WEAVER
Head, Department of Graduate
Management Systems
Graduate School of Log & Acq Mgt

Appendix C: Interview Questions

Interview Format

Good morning/afternoon/evening. I am Pat Lozon/ Mike McDaniel from the Air Force Institute of Technology's Graduate School of Logistics and Acquisition Management. The Air Force Institute of Technology supports the Air Force through graduate and professional education, research, and consultation. On completing this program I will receive a Master of Science degree in Logistics Management. As part of the requirements for completion of this program, my partner and I are completing an indepth research project designed to investigate improved customer service practices for the Department of Defense.

Therefore, today/tonight you will be asked several questions pertaining to customer service practices that are designed to provide the necessary data for our research. My partner and I will compile and analyze your responses in an effort to determine common practices leaders used throughout the air cargo industry. Findings will be used as a basis for comparison between current practices utilized by air cargo carriers and those in use in United States Air Force cargo movement operations. Similarities and differences will be determined and recommendations made to the Air Force for improvements in day-to-day operations.

Although this interview will be recorded, your comments will be incorporated with those of other individuals within and outside your company to ensure your anonymity.

If you don't know how to respond, have nothing to say, or have no comment, please say so at the end of the question. Any of these responses are perfectly acceptable and we will simply proceed to the next question.

Do you have any questions? If not let's proceed.

Interview Question One. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Interview Question Two. Which technique do you find most effective of those mentioned in your response to question one and why?

Interview Question Three. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

Interview Question Four. Does your company have a written customer service policy? May we have a copy?

Interview Question Five. If so, how is the customer service policy distributed throughout your organization?

Interview Question Six. Do you believe this policy provides your company any competitive advantage over other air cargo carriers? And why?

Interview Question Seven. How does your company followup on customer service complaints/comments?

Interview Question Eight. What priority are customer service inputs given in the day-to-day operation?

Interview Question Nine. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

Interview Question Ten. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Interview Question Eleven. Do all employees know who their customers are? If so, who are they?

Interview Question Twelve. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Interview Question Thirteen. Does your company regularly track customer service comments and complaints? If so, how?

Interview Question Fourteen. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Interview Question Fifteen. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Interview Question Sixteen. What kind of information is generated from these systems, and how is that information used in your customer service program?

Interview Question Seventeen. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Interview Question Eighteen. We have asked several questions concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are important and critical to our analysis?

Appendix D: Company A Interview Responses

Manager #1:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

We use a delivery standard for different shipments that originate from our various origins that are ultimately delivered to the final destination and customer. Through the use of wandling the shipment at origin and destination we compare this time against a service standard. If for some reason this service standard is broken, we contact the shipper at the origin to inform them the shipment is late. As far as customer surveys or other "standard" techniques to measure customer satisfaction, I am not aware of them although they may exist within the organization.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

To me the most important measurement criteria is whether or not we are able to get all the freight through the hub and to its destination on a daily basis. We look at the percentage of the time we are able to accomplish this action and use this percentage as a determinant of whether

we are meeting customers needs. Because, if we can do this and get the freight to the down-line station consistently, then the company overall is better able to meet the needs of the ultimate customer.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

This is basically a performance measure developed by the company to determine if we are getting the cargo to the down-line stations and ultimately our external customers. As a result, I can't say whether it is proactive or reactive because I don't feel it falls neatly into one of those two categories. We proactively try to make sure the customer is served and the cargo is delivered, but this measurement tool does not fall neatly into either a proactive nor reactive category.

Question 4. Does your company have a written customer service policy?

We have a corporate mission statement that addressed the issue of customer service quite well. As for a customer service policy, to my knowledge, one does not exist. I

would have to say that the mission statement and the various slogans we espouse concerning customer service serve as our customer service policy.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Since we don't have a written policy per se, I can't properly address this question. However, the president of the company sends out customer service circulars on a weekly basis and priority statements that address particular customer service areas that the president wants the company to address that week.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I feel our competitors have a similar mission statement and slogans which they address so I don't feel this provides us a competitive advantage. The pledge that each employee signs which addresses the idea of customer service might impress customers, however, I don't see that these initiatives provide this company with a competitive advantage over our competitors.

Question 7. How does your company follow up on customer service complaints/comments?

When we receive an input from the customer or the originating station, what we try to do is answer these comments or complaints to the best of our ability whether that be over the phone or in a message format. In this response we address what action we took in the specific situation, why we did it, and what can be done to ensure the problem does not occur again or at least avoid the situation which caused the incident to occur in the first place.

Question 8. What priority are customer service inputs given in the day-to-day operation?

The obvious answer to this question is that they receive top priority. If they perceive we don't care about them or are not giving them the utmost priority, they are going to think we don't care about them and they are going to take their business elsewhere.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

There is no established time period or standard established within the organization. However, in my opinion, the best thing to do is get back with that customer after you have had the time necessary to get a complete answer to the question. Getting back to the customer after you have only gotten half the answer is a disservice to the customer. So I feel you should spend as much time as is necessary to get a full answer and then get back with the customer and explain the situation or give them a response.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

In my area we have people that are trained on phone etiquette and how to deal with customers and not get stressed out when they are dealing with a difficult situation. However, this is not necessarily formal training. It is an informal explanation of how to do the job once they are placed into it. These people do not receive periodic or refresher training on a periodic basis however. What I do is get with these people when I receive a complaint from a field service location or other customer that they were abrupt and use that as an opportunity to get with the individual and re-explain the information addressed

in the initial training. This serves as a way to try to avoid the situation happening again.

Question 11. Do all employees know who their customers are? If so, who are they?

I feel the employees do know who their customers are because we circulate through the office message traffic that specifically addresses major account is different markets. They are also involved with bumping cargo when an aircraft leaves the hub if necessary. As a result they know who the external customers are.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

My employees that work answering the phones and have contact with customers receive formal feedback on their appraisals. As far as the people who work on the floor in the hub that physically handle the cargo, do not receive formal feedback however, customer service practices is included in their appraisals through indirect measures such as how to handle cargo and other related tasks and areas. This is equally important because if the customers receive

the cargo after it was improperly handled then they are not receiving the customer service they deserve.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

We regularly hold shipper advisory boards in which customers are invited. In these meetings, the participants brainstorm customer service issues and address specific issues. As far as regular tracking within the hub and in my area, this does not occur. I do receive messages which address topics such as service level declines in certain market areas. I am not sure where this report originates from, but it does indicate to me that someone is tracking customer inputs.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Reports are generated. We receive customer delivery reports the next day, Aircraft performance and departure information 30 minutes after the last aircraft departs, and next day delivery reports obviously after the next day. In these reports we are looking for missorts for each station and other related information. As far as distribution for

these reports, they are available for everyone from the president of the company on down to the cargo handlers. As far as written reports being distributed, they are given to operations staff. copies are posted on bulletin boards for others to see.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Many systems exist but our primary system is a partially bought mostly internally developed system in which all information pertaining to shipments is contained. Everyone in the organization has access to the system both throughout the hub and the down line stations. The system is good in it's present capacity however it is somewhat old and uses outdated software language. It is in the process of being re-written so that it will be more user friendly and information can be accessed more quickly. Additionally work is being done so that radio or verbal interfaces can be included so that information can be entered into the system much more quickly. As a result personnel will have access to a much more real time based system where they will be better able to tell what is happening in the system. This should also allow personnel a more forward looking system that the one they presently have.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

The most important information they receive is delivery performance. Customers are not concerned with how you do the job, they are mostly concerned with whether the package arrives at the destination, in the proper condition and at the proper time. The system also provides a lot of information such as aircraft use rates, cargo status, and other standard information that a system like this would provide. I still feel that the most important thing for the customer is on time delivery.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Presently we do not have in place a system that allows us to inform the customer of the exact location of every piece of cargo. However, that is very damaging if we are not able to provide that because if a customer calls us up and we can't tell them where a piece of freight is, they might feel we do not have control over the cargo and our operation. We presently do have a wand system where we wand cargo at specific points through the movement process

but it does not provide us positive tracking or constant surveillance. We are looking forward to actually having such a system in place and the development of that system is underway.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

Based on my level of knowledge concerning customer service and the questions you have asked, I do not know of anything I could add which would benefit your analysis.

Manager #2:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

For our down-line station we use certain statistical measures that we compare against service standards. Also we use customized tracking mechanisms for certain clients and industry types to analyze trends in customer service levels. We provide reports which shows how we have performed against these service levels and ultimately how we have performed in

meeting the needs of our customers. Even though we do this, the standards we compare ourselves against are standards we have developed. The customers as a result may not be concerned as to whether we have met a time, for example, we have set for ourselves. They are probably more interested in the fact that the piece got there not specifically the time it got there. We hope to in the future provide the capability to our customers to directly access our systems to ascertain information about their shipment. There are some very important customers that we stay in contact with at night via the phone to determine if our actions are the ones they desire. If not, we can then act accordingly to see their needs are met. This provides a real time capability that is not necessarily available or in existence for the majority of our customers. We also use focus groups to measure our performance with our internal customers as well as some external customers.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

Our statistical measures that give us on time delivery information coupled with aircraft load factors is the best technique to measure customer service from my perspective. These measures are used in conjunction with daily conference calls between management and executives throughout the

company in which we address specific customer service issues important to the company. Therefore I would have to say that these two methods together are the most important of the ones previously mentioned. Neither one of these can I classify as the most important. They together are invaluable. The information generated from these measures is then distributed throughout the organization according to the information and level of need of individuals in the organization.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

We work very hard to make sure that we are doing what we can to meet the needs of our customers. Actually we strive to exceed customer expectations. I personally am happy when we meet their expectations. When you exceed the customers expectations, in most cases you are providing a service that is more than what they actually paid for. When this occurs, the money needed to provide this extra service must then be paid by other customers through higher prices. So we do what we can to meet the needs of the customers as they are dictated to us. That does not mean that we do not respond to the comments that we receive. For the most part

however, I would have to say we are proactive in this capacity. We act reactively when we need to do so.

Question 4. Does your company have a written customer service policy?

Shortly and to the point, yes we do.

Question 5. If so, how is the customer service policy distributed throughout your organization?

I am not sure that every individual in the organization or hub has a copy in their hand but I do know the policy is posted throughout the facility for people to see and learn at their own level of desire. Although in my mind, this policy is more like a mission statement which would serve as a customer service policy.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

No. But I am on an operating side. If you, were to ask someone in sales they would probably say by all means. I think the thing that provides a competitive advantage is how you perform, not that you have a written policy and that

it is up on the wall. If you don't perform, the policy is worthless.

Question 7. How does your company follow up on customer service complaints/comments?

If phone calls are received, the individual answering the call immediately works the system to find out the information necessary to answer the inquiry. These people contact the people who had a hands on part in the shipment or situation and once the appropriate information is received the person who received the call will contact the customer whether that be via phone, e-mail or letter. This response is varied and depends on the specific situation.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Customer inputs are given a very high priority. We make the effort to listen to customer's requests and we make the effort as much as possible to satisfy what the customer has asked. So customer inputs are ranked very high.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

The policy is that within one hour, the person handling the problem is supposed to have the answer or at least get back with the customer and let the customer know the status of the answer to the problem. Regardless of the time and situation, the individual is responsible for getting back with the customer and for finding out the answer to their problem. For our corporate customer service personnel, the policy is thirty minutes for simple questions such as a dock check. Locally in the hub, the policy is one hour however.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

For the most part within the hub, personnel do not receive customer service training. There are a certain group of personnel who are in the special accounts department that receive customer service training but again for all employees, customer service training does not exist. At the corporate level however, personnel receive extensive training in customer service practices. They do though receive specific training on how to do their specific operation jobs which leads to customer service but as far as specific customer training, as I have said, they do not receive.

Question 11. Do all employees know who their customers are? If so, who are they?

I would say yes. We do a lot of things such as the customer of the week program where we try to provide high profile attention for the customers. As a result the employees know who the customer of the week is and this makes them aware, over time, of many of the customers. We also do a lot of tours at night which brings the customers into the hub. So I would have to say that the employees are well aware of who their customers are. We also encourage our customers to send tokens or small memorabilia in to the employees which further aids in customer awareness. Further we ourselves put a lot of information about our customers into the hands of the employees. We also try very hard to impress upon our employees that the next station on the floor to which the cargo moves is also a customer.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

In this facility, customer service is not a specific area which is addressed on the appraisals. However, they are rated on cargo handling and sorting which directly impacts the customer service levels of the hub to the down-

line station and ultimately the final customer. So I would have to say that directly, customer service is not included but indirectly it is.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Our corporate customer service function does extensive tracking on customer inputs. As for the hub, we get a lot of information from our daily conference calls as far as customer inputs and that information is relayed throughout the entire organization from the executive level all the way down to the managers.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Reports are generated, but as for specifics concerning these reports, I can not think off hand as to how they are prepared. You might be able to talk to our customer service manager and she would be able to give you more information in that area.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Everything we do is tied to an information system from the time it is picked up until it is delivered to the ultimate destination. That information is put into a computer program that permeates the entire organization and that information that is associated with that piece of freight is maintained throughout the transportation process and individuals throughout the organization can access the information and find out whatever they need to know about the freight. The system as we have it can definitely be improved because it is based on outdated programming language that makes it very user unfriendly.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

This information system can provide us account profiles within certain categories such as petroleum, manufacturing, etc, it provides us information on the status of the package as it progresses through the system, to a degree where it is at, and the status the package is in. As far as how this package is used, the customer can call in and the people

they are talking to have access to this system and they can get whatever information they need to know about the package and relay that to the customer on a real time basis.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

At present our systems are capable of handling this but we do not have it in place at this time. We are in the process of testing and trying to implement this and we expect this to be something we have on line and are able to market and be able to use in the future. Presently we are at about thirty percent as far as having it in place. I feel this is actually more important to the customer than it is to us. I like it because it gives us more information as to where the package is but I feel it is more important to the customer than it is to operations within our organization.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

There are a lot of things in our business that tie to customer service that are not specifically grouped in the area of customer service. Obviously you have to provide to the customer the service he or she desires at a low cost. Second, since we are in the heavy cargo industry as opposed to the small package industry, we have to be able to respond to large increases in freight that is being provided to us by our customers. If one of our clients increases the amount of cargo he ships by ten percent, that might equate to two additional aircraft having to be flown to a destination. As a result it is very important to have the airlift capacity to be responsive to this need. Ultimately, the bottom line is to provide a seamless service to the customer so that if you are bending over backwards to meet the needs of the customer, this should be done without the customer being aware of it. If this is done you are providing true customer service. Additionally, something as small as having an on site customs inspector that can clear international shipment is a part of that seamless service we can provide.

Manager #3:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

From our level, I would say that the number of complaints we receive is a good indicator. If we are not receiving a lot of complaints we are doing what we need to do to meet customers needs. We also have a missort report that we look at on a nightly basis which tells how many missorts we had that night.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

While our actual freight is increasing that we move through the terminal and we are not receiving a lot of customer complaints means that we are actually doing what we need to do in the area of customer service.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

From measuring customer service, I would say that from our customer complaint system, we receive inputs from our customers and we take action to address or resolve those inputs. From my point of view, we are somewhere in the middle since we do not deal with the ultimate customer.

Question 4. Does your company have a written customer service policy?

We have a hub mission statement and they are posted throughout the facility and this is what I would classify as our customer service policy.

Question 5. If so, how is the customer service policy distributed throughout your organization?

It's posted on bulletin boards and people can see it whenever they go throughout the facility.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

What it is is just good business sense. Why I think we are one step ahead is that we go that extra mile and out of our way to meet the customer needs and our statement basically generalizes that.

Question 7. How does your company follow up on customer service complaints/comments?

When we receive a customer service comment or complaint we will either send a message out over our internal computer system or actually send out a letter to the appropriate organization and they will research it and find out the answer so we can get back with the customer and provide them with an honest and truthful answer as to why it occurred.

Question 8. What priority are customer service inputs given in the day-to-day operation?

I would say they receive a very high priority based on the way we work at things around here based on the input they give us.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

I believe they need to be answered within twenty-four hours whether you have the complete answer or not. Within at least twenty-four hours you should at least get back with them and tell them the status of your investigation and try to resolve the problem. If we are receiving a comment from one of our field stations and twenty-four hours would not work we would actually need to get back with them as soon as possible. As far as a written policy, I'm not aware that

either one of these is. This is just what we try to do in my department.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

When employees are hired, they receive orientation training. They get a lot of training in operational issues and within these issues I would say customer service is a part of that but it is indirectly because the operational training they receive affect our customer service policies and practices. They also receive other various types of training when they are given their responsibilities which obviously tie into customer service. As far as refresher training, they do not receive it in the context of the question you are asking.

Question 11. Do all employees know who their customers are? If so, who are they?

I would say that not all of them but I would say that our customer of the week program brings emphasis on our customers and it is still an ongoing process. In conjunction with this customer of the week we try to give literature to the workers to let them know who their

customers are. Customers also send promotional items in that we give to our employees so they can see constantly who the customers are. As far as who the customers are, I would say IBMs, the big shippers who actually ship the cargo through here, the names they see on the boxes, and the promotional items they receive with the customers names on them. This is who they would identify with as the customers being.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

In my particular area they are graded on specific areas that would apply to customer service. First of all, how they do their primary job as to how they sort or handle the freight or as to how well they alert me as to how shipments are being processed through a facility. They do well in both these areas and receive high marks in those areas that directly relate to providing customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

For the company as a whole I would have to say yes but I am not specifically sure as to how. As far as my

department, what I do is keep a folder for each account that we serve and I keep information that pertains to those accounts within each folder. I've been able to accumulate a lot of information for each account. From this information, I can determine if a trend exists but if I were to notice one I would pull it out and address it at that time.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

As I previously stated, I have never received an abundance of complaints that would indicate a trend that would need for a graph to be prepared. If that were to occur then obviously I would prepare one. I can't say exactly what would happen since I have never had that situation to occur.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

The internally developed system that we have, everyone is tied into it and can have access to their needs when they are answering customer complaints. They can find out status on cargo and basically whatever they need.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

We can get status on shipments, number of missorts for example, damaged shipments and various other information on the shipments whether that be originated by customer comment or just something that we need to know to make sure we do the job the way we need to do it.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

First of all, we have the high security items that we transfer through the hub here. That is primarily hand to hand which people sign for when they receive it. We are in the process of implementing positive tracking which will do this service for us but it is presently not in use but it is in a partial way. We do want things in certain parts and we want it when it leaves certain parts of the organization but as far as total visibility we are working toward it but we do not have it yet. As far as it's importance to customer service, the majority of the questions I receive is the customer asking where the freight is at. More so than

actually moving the freight, if you are able to tell the customer where the shipment is it eases their mind and gives them a sense of security that you are in control and know where that freight is and you are giving them the service they need.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

One thing that I think is most important that we need to understand is to be flexible to your customers needs. Whatever they need, if it's within your reason or ability to do that for them, you do all that you can to meet those needs. Flexibility, I would say, is definitely important and something a company must possess and be able to do in order to be successful.

Manager #4:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

The bottom line is what the customer tells me as far as satisfaction and needs. I have a lot of one on one contact with the customer in addition, the round table meetings by the higher executives of the company bring back feedback of what the customers are looking for for service satisfaction.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I feel the customer focus groups are by far the most effective. The customer gets the opportunity to talk to the higher executives within our company and have the feeling that by talking with them that the recommendations they make will be taken to heart and be implemented.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

This technique is used to seek out input. We don't wait for them to come to us, we go to them and ask what we need to do for them.

Question 4. Does your company have a written customer service policy?

No, I've never seen it.

Question 5. If so, how is the customer service policy distributed throughout your organization?

This question doesn't apply since I answered the previous question no.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

Since we don't have one I can't answer this question but if we were to have one it would have to be broad in nature and provide only general guidance.

Question 7. How does your company follow up on customer service complaints/comments?

If a customer complaint is received by my department I will channel it to the appropriate department or hub manager and follow up on it with them and see if that suggestion can be implemented. Ninety-nine percent of the time it is,

however, the customer may ask for something that is just not realistic.

Question 8. What priority are customer service inputs given in the day-to-day operation?

I believe they receive first priority within our organization, however, I cannot tell you that all of our employees feel that customer service is a top priority. Customer service is the bottom line. Moving that freight or cargo and packages and satisfying the customer is what is going to keep us in business.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

Thirty minutes is what I would see as an acceptable amount of time. As far as the written policy, I can't say. This time period was given to me by upper management. Within this thirty minutes a full answer may not be able to be provided. The resolution of the customer's problem may not be known but you should at least call them in thirty minutes and let them know what you are doing.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

All employees do not receive customer service training. However, all the individuals that enter my department do receive customer service training.

Question 11. Do all employees know who their customers are? If so, who are they?

Yes, they are aware of the top accounts for the company.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

In my department, it definitely is a part of the appraisal system. Throughout the company, I can't say but I do think it would be a part of the appraisal system. But it would be so in an indirect manner because everybody's performance has something to do with customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

I would say yes, however, not directly at the hub. We do at our national customer service center but I do not know the specifics. I do keep files on each terminal and their calls to and from the hub. I track those personally, for my own knowledge.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

If I feel that it is necessary I will provide my report and log to the hub director. If I see a repetition of a problem I can make a recommendation for an improvement and by having these logs they assist me in my recommendation.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

I feel that every system in this facility assists me in customer service tracking. They all provide feedback and I use that feedback for different means. If I use this system once a day or once a week it is still important. The

current systems could definitely be improved. We are now working towards those improvements. Presently, the system tends to be not user friendly.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

Information from these systems, for instance, provide me a history of the shipment in detail in which I can use to interact with the customer in answering these questions.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

We are currently working on a system to provide visibility throughout our shipping pipeline. Right now, we are trying to force the current system into doing that but it is labor intensive. We are trying to satisfy our customer because that is one of their demands. Let me say that I feel this system is vital to our customer service program.

Question 18. We have asked several question concerning customer service operations within your organization. Are

there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

One thing, as far as the wrap up, would be the support I get from upper management for customer service is extraordinary and without that our customer service program would not be successful.

Manager #5:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

We measure everything on a percentage basis whether that be percent delivered or missorts or whatever. Every day we are involved in a conference call with managers throughout the organization and we address situations and actions that occurred the previous evening. We look at whether the down-line stations were able to deliver their freight on time, misrouted freight, etc. We address it, discuss it and try to make sure it doesn't happen again.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The daily conference calls are the way in which we are able to ascertain what happened and we are able to talk to all the people within the ranks and determine how we provided service to the customer. My customer is the down-line stations so the measurement of our performance is how well we deliver freight to the down-line stations. The down-line stations determine how well they deliver the freight to the customer.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It's done to seek out information. It's done on a daily basis. Through this conversation, we look at every operation whether good or bad and determine what we can do to make sure the bad ones don't happen again and even how we can improve the things we are doing good.

Question 4. Does your company have a written customer service policy?

I'm sure we do but it doesn't really fall in my area. I can't tell you whether we actually do or not. Our company

does have a strong policy. Whether or not it's in a manual or written down, I don't have that information.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Since I am not aware of having a customer service policy, I can't tell you how it's distributed. I would say that if there is one that the customer service department would have that information.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I think that what provides our company with a competitive advantage is that we will bend over backwards to do what we can for a customer. Our policy is that our customer comes first and we'll do whatever it takes to make sure their needs are met. The fact that we will do that would indicate that adherence to our policy, whether written or not, provides us with a competitive advantage.

Question 7. How does your company follow up on customer service complaints/comments?

What we have is corporate customer service that handles that directly with the field units that handle customer service inputs.

Question 8. What priority are customer service inputs given in the day-to-day operation?

The customer is number one and everything we do in designed for or derived from the idea of servicing the customer.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

It depends on the complexity or type of account we are talking about. Normally, you could solve the problem in fifteen to twenty minutes but in my position I try to find the person who can solve it and let them follow up on it. This is not a written policy nor is it a specific standard for the company.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

The people in my division don't actually deal with the ultimate customer everyday. Our customers are the down-line terminals and my people are trained with how to deal with them and how to do whatever it takes to meet their needs. Since they don't deal with the external customer often, they don't receive specific training. We continue to update the information we give these people in their training. We make sure everyone understands the changes that are made in our operations and how that affects their job. This is on an as needed basis.

Question 11. Do all employees know who their customers are? If so, who are they?

I'm sure they do. If you were to ask them who they are would primarily be the down-line station but they would also be able to give you a good list of external customers since they see that property on a daily basis.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Indirectly, yes. Directly, no. All of the appraisals in my area are based on how the individual does their

operations. Their doing the operations to specified levels determines whether we are meeting our customers needs.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

We track that on a weekly basis from the president all the way down. We go through and look at things and we address these in daily conference calls where we go down and look at complaints, actions or activities and try to resolve them through conversations in this conference call. Complaints coming directly to the hub are funneled through our customer service department manager where she categorizes them and keeps a log.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

I get a report on a daily basis which tells me how we did the previous night as far as sorting and all that information. The majority of the problems are addressed in the conference call in which all the managers from the president on down actually are aware of them and discuss them.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Our internal corporate wide system is probably the best system we have that allows us to track and manage customer service issues. This system will be enhanced over the next few months and years in order to provide us with better output. We have several other information systems but these deal primarily with the operation side and don't necessarily interface with the customer service system.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

This system give us anything we want to know. To a certain degree, where a shipment is, specifics about that shipment, if it was missorted or damaged.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

About thirty percent of our shipments are positively tracked. They have intransit visibility. We are trying to

upgrade that to include all of our shipments. This should take place in the next year. We are spending a lot of money to make that happen, however, we do not have that in place for all shipments. When this system is in place, everyone who has access to our system can access that information and determine exactly where a shipment is. I believe this is important to customer service and in order for us to survive we have to have systems like this in place.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

Since we are a customer driven organization, we try to make sure that we don't isolate customer service within one division. We try to make sure it exists throughout the organization. We need to address customer service issues and everyone needs to be aware of its importance. If it exists in only one sector then the organization it unable to address customer service as it should. I feel your doing a disservice if that happens.

Appendix E: Company B Interview Responses

Manager #1

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Our first line customers would be our field stations. Then their customer, the ultimate customer, would also be our customer. If either of those contacted the hub with concerns about customer service we would respond to their needs. Our basic way to measure customer service is by performance reports generated by an in-house computer which shows us on-time delivery and that sort of information in which we can act to improve our operation.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

One of the reports that is generated from this system is the report that is generated from one of our down-line stations which tells us the amount of on-time deliveries we made to our customers. If there is a problem in one of these areas, I can look at that as a hub manager and determine how that flows back into the hub. I can further go and see if we are holding freight for a specific market,

as an example, and we're having problems in that market, then I can go and determine whether we are going to bump other freight to get that freight into the market, add aircraft to that market or whatever.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

I would have to say it depends. If we get a complaint, I would say that it is reactive because the complaint has been filed with a field station and they tell us what the problem is and we try to handle it. We do get some proactively, meaning that we get information of a new customer coming on line and we try to make sure that we deliver the cargo for that customer at the right time and conditions so that we get off on a good foot.

Question 4. Does your company have a written customer service policy?

Our customer service policy is on the back of our airbill. This indicates what we will do to meet customers expectations and what our overall policy is.

Question 5. If so, how is the customer service policy distributed throughout your organization?

This policy on the back of our airbill with our mission statement which addresses customer service is distributed well throughout the organization through our internal magazine and via bulletin boards throughout our facility. We try to get that out to as many people as possible, especially, to our down-line stations who can then get it to our ultimate customers.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I think what provides our company with a competitive advantage is our company is the employee and the employee can make whatever they want out of the company. The fact that the employees get involved and work as hard as they can for the company in the area of customer service is what sets out company apart. The policy itself does not provide an advantage.

Question 7. How does your company follow up on customer service complaints/comments?

Most of the time when I get involved is on a lost shipment from which we have been notified by our down-line station. When I get that we will generate a computer rip and then send that down to the floor and actually look for that shipment. We do this throughout the day to see if we misrouted it to another station and then we will try to get the information back to the station and ultimately the customer as soon as possible.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Our labeling is what we consider the customer input for the most part and we take high priorities to make sure that we do what the label dictates. For example, if that's a priority shipment, we will do whatever it takes to give that shipment priority handling. If it's a second day shipment, we will handle it accordingly. So our customer inputs are the information the customers put on the shipping document and we place utmost importance on that.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

If we receive a message we try to find out by the end of the operating day what has happened to the piece. We like to wait until the end of the operating day and make sure we've done everything we can to resolve the problem. We like to have it done before the end of the operating day but if it takes that long it does. This is not a written policy or standard that we go by, it's an unwritten policy to try to make sure that we are thorough in our investigation. I guess you could consider it an operational technique rather than a standard.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

We have crew meetings in which everyone who is working that shift meets as a crew to discuss customer service issues. Additionally, every month we have a quality improvement meeting where we address customer service issues.

Question 11. Do all employees know who their customers are? If so, who are they?

Initially, when they are first hired no but within a week they would know who their customers are because they

would have seen the boxes go through and can identify names on those boxes and know those are the customers. When you talk with more experienced employees, they would understand that their customer is the down-line station. The newer employees would probably give you our major accounts.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes, it is part of the employee appraisal system. We look at performance, damaged goods, safety, etc. It all affects customer service and we are currently reworking the appraisals.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

I would say probably at the corporate level, customer comments are tracked because I can see in our internal publications that issues addressed by customers are in there. Within the hub, however, we don't regularly track them because we consider each a new challenge and treat it accordingly.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

As I previously mentioned at the corporate level, within our corporate magazine, input from the customers are reported but within the hub where I say we don't regularly track other than specific reports that we put out for unclaimed freight or along those lines reports are not necessarily generated.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We have an internal on-line computer system which tells us anything we want to know about the shipment moving through our company. Everyone has access to this and can find out anything they need to know about that shipment.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

This system will generate anything you would want to know about the shipment, to include the weight, height,

cube, the pallet position it might be loaded on in the aircraft, etc. Anyone can have access to this information and then answer a customers question based on the information received from the system.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

At present, we have this capability but it is only used on an exception basis. We are in the process of working on a system that will allow us to do this on every shipment that we have. This system will allow some form of chip to be placed on every package which will allow us to track it through our system. As far as being important to our customer service system, it is important for a customer to know where the shipment is so that they have confidence that we know what we are doing and are in control of our assets.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

I would say that the one thing that is important is having the cargo visibility system in hand will actually save a lot of time for us here in the hub because now when we receive a question from a customer through a down-line station we have to manually sort through paperwork to find that shipment. Having an intransit cargo visibility system in place will allow us to do that much faster because it will allow us to pull it up on computer instead.

Manager #2:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

To measure customer needs, we rely on the down-line stations to ask the customer what he or she needs. Based on this response the proper shipping labels are attached to the package which indicates this requirement.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I think this is most effective because it lets us know at a glance what priority or how important that shipment is to that company. It then allows us to make the proper moves, bump freight, divert aircraft, or whatever to make sure the needs of the customer are met. By doing this the

customer receives the shipment in the time and conditions he or she desires.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

Basically we see our customer as the down-line station and they may call in concerning the status of one airplane. We however are responsible for ensuring the proper use of all aircraft. We are proactive in our use of these aircraft but our response to inquiries by the down-line stations is reactionary.

Question 4. Does your company have a written customer service policy?

A written customer service policy is currently being developed. In the past we didn't have a common or standard course of action for customer questions. Depending on who the customer talked to, he or she would receive different responses and treatment. So to make it as easy as possible to ensure the customer gets the fastest resolution to a problem we are developing this policy.

Question 5. If so, how is the customer service policy distributed throughout your organization?

As previously stated, we don't have a written customer service policy as of yet, we are working on it. We do have a corporate customer service center which handles this and information that is gathered in this office is at times distributed throughout the company.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

When this policy is written will it provide a competitive advantage? Yes it probably will, but I don't think it will change the way we do things here in the hub. We have always focused on meeting customer needs and I don't think having a written policy will change or alter what we do in the area of customer service.

Question 7. How does your company follow up on customer service complaints/comments?

I think that will depend on the account. If you have a major account, they are probably going to get a little more attention than the shipper that only ships one thousand

pounds a month. On major accounts an account representative will actually go out and talk to the company and determine what actions can be taken to ensure a bad situation does not occur again. No matter what the situation, at the very least the shipper will be contacted whether that be by phone or in person so that we and the shipper together can work the situation out. We find a way to apologize and assure them the problem will not happen again.

Question 8. What priority are customer service inputs given in the day-to-day operation?

In the day-to-day operation, that gets back to the initial question where I mentioned shipping labels. When the information is put on the shipping label, we do all that we can to make sure that those inputs are handled appropriately. If we have an account that is adding freight to a particular area of the country, we will add an aircraft if needed to ensure the freight is moved in its entirety to the destination so we meet their needs. Based on these situations, I would say that customer inputs receive top priority.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

If we are trying to find a piece of freight that is here in the hub, I think the research to find the answer and a response to the customer should happen in at least thirty minutes. Of course that will vary depending on the amount of cargo we are holding in the hub and how long it takes us to adequately go through that cargo. On heavy days, this might take an additional thirty minutes.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Here, no. Our employees receive on-the-job training on potentially every situation that could arise. So as far as formal training, no but as for on-the-job training, we receive a lot of that which directly impacts our customer service program. This training is ongoing so it can be considered refresher or additional training as necessary.

Question 11. Do all employees know who their customers are? If so, who are they?

The individuals at the field stations know who they are because they deal with them on a daily basis. He in the hub, I would say a lot of the employees know who the customers are by name based on the information and names

they see on the packages they handle on a daily basis. There are also lists posted around the facility which have customers names on them for the employees to see. As far as who the customer is, that is a very good question. I would say the customer is the down-line station. The employees on the floor would probably say the customers are the accounts we service.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes, there is an area on our appraisals that addresses customer service but it is very subjective and it is up to the manager to determine the level at which to rate the individual in this area.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Our corporate customer service center tracks customer inputs but as far as the hub, we track the number of missorts, aircraft departure times, etc. This is how we assess our customer service. As far as a tracking system, I would say this is done through our computer generated tracking reports.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Reports are prepared and circulated, however, I am not familiar with those reports.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Our on-line computer system which tracks shipments through our pipeline is our most important one because it allows us to have a somewhat forward look at the cargo coming into the hub which allows us to better react accordingly. As far as improvement goes, I really don't see how these systems can be improved. This applies primarily to the externally developed systems we have bought. The internally developed systems we have are being improved on a continual basis.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

These computer systems give us anything we need to know about a shipment. They also allow us to tie into air traffic control systems which allows us to find out about aircraft congestion problems and re-route or aircraft appropriately if possible to avoid any potential delay. So as you can see, there is a lot of information we can get from these systems.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Presently we don't have such a system, but we are in the process of developing a system that will provide this capability. We are developing this system because we feel it is imperative to our customer service program.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

I think the customer service philosophy espoused by a company is very important. Our employees understand customer service and they know how to deliver good customer

service. I think policies and practices are important, but I also feel that you must have a philosophy that infiltrates the organization to make sure the practices and policies are not just fluff but actually believed and practiced.

Manager #3:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Primarily our customers are more internal than external. As a result we try to keep our measures directed at internal customers rather than external. As far as this measurement goes, at the end of each day we get a report each morning which tells us the freight that did not move through the hub during the previous night for example. But there is not a hard measurement criteria to measure customer service. We do use internal customer surveys to see how we are doing in the hub. Other than that, the only way we can determine if we are meeting customer needs is whether we are receiving complaints regularly. If we are not receiving complaints, we are probably meeting the needs of the customers.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The feedback we get on a day-to-day basis which constitutes the squeaky wheel principle is the most effective because it gets the attention of the right people. These people can then take the action necessary to alleviate or correct the problem without unnecessary people getting involved. This results in the most timely manner in which we can answer customer questions and react to customer complaints or inputs.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It is reactive. If we are proactive to every situation that might occur, we are probably spending money we don't need to spend and we are probably reacting many times when we don't need to react. So that seems, in our view, to far of a view to take. This might not seem the proper response to someone from the outside but I think it is the proper one.

Question 4. Does your company have a written customer service policy?

We have a customer service policy for our external customers, a great one. We don't have one for our internal customers, however.

Question 5. If so, how is the customer service policy distributed throughout your organization?

It is part of our training when we indoctrinate new employees and it is then available as a reference after that.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I don't think having it makes us better. I think what sets us apart is our attitude that goes along with this policy. Our actions are the differentiating factor not the policy in itself. Giving the feeling that you care and doing something about it is what matters.

Question 7. How does your company follow up on customer service complaints/comments?

Internal comments are directed to the appropriate supervisor and it is up to the supervisor to handle and

respond to the input. The majority of our response are done electronically through e-mail or a similar method. From a field complaint, the appropriate person is responsible for researching the complaint and getting back with the customer as soon as feasibly possible. If needed, they will follow up with a personal visit to the customer.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Top. Top priority. We are no good if we are not able to respond to comments here at the hub.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

It depends on the problem. If we already have the response at our fingertips, that will take a minute to make a phone call. It could involve verifying the location of a shipment. This could take maybe thirty minutes or even an hour. So it depends on the type of problem. We don't have this in a written policy form, however. For the most part it happens by default. I would like to say that the size of the account does not impact the response time but in the

real world the larger accounts probably receive more attention and a quicker response.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

No. The field customer service people receive such training, but in the hub here we do not have set customer service training.

Question 11. Do all employees know who their customers are? If so, who are they?

I would say they do. If asked their primary response would be the external customers since they see their names on the boxes and freight that continuously moves through the hub. This would especially be the case in the sort area. Unfortunately this is not the correct answer. Their correct answer should be the internal customers such as the next station in the hub or the down-line station that are serving. An employee that has been around a while might give you an internal customer but not for the most part.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

It is. Scattered through the appraisal is areas which employees are rated on that impact customer service. Our short term appraisals might not specifically address the issue, but our six month ones do.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Internal, no. External, yes. This is done at the filed stations. In the hub, from a customer specific standpoint no. From a compliance perspective, yes. We receive daily reports on missorts etc which tell us how we have done operationally. In a way this impacts our customer service.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Reports are prepared and sent to the appropriate location but no log or consolidation report is maintained. All management sees these reports and they review them

everyday. They then are responsible for taking the appropriate action to resolve the problem or try to implement a suggestion or comment.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Our internal communication system acts on a two way basis. We send tons of information out of here which informs the rest of the company about our actions and activities in the hub. They are not utilized well by the field or read by the field and that is not very good. This is a problem and we are trying to resolve it. As far as improvement, it must go through management support. That is the only way they can be improved.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

The primary information generated is the results of the operation from the previous day or night's operations. This tells us how we did in certain areas and we can then determine if anything went wrong and how operations can be improved. This is a valuable tool for our operations.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

We don't have any system of this type but we are working on it at this time. As far as it's impact on our customer service program, I think it is critical. It will give our customers and employees a place to go to find the status of a shipment instead of relying on your understanding of the system in your determination of shipment status. It is an expensive system but it is worth it.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

I think our people want to do the best job possible and it is up to management to give them the tools and resources necessary for them to adequately do the job. Further, you have to mix you customer service success with your financial success. This is difficult but it must be done and done effectively to be successful.

Appendix F: Company C Interview Responses

Manager #1

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

We are constantly in contact with our customers either by phone or via fax or mail. Through these interactions we are talking about service and working to ensure that problems that are encountered during our operations are not encountered again if at all possible. This is a big undertaking but we feel it is important.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I would have to say the phone contact is the most effective. In the hub we almost never have face to face contact with the customer so we have to rely on phone conversations to get our information. This is more real time in nature and allows faster resolution of conflicts and better real time information as to how well we are doing.

Question 3. Is this technique used to seek out customer input or does this technique provide information

only after a customer service recommendation or complaint has occurred?

I would say that it is proactive on our part. We try very hard to work with the customers to try to get them to give us the proper information for the movement of each package. When a problem arises we work to proactively solve that problem. We have a responsibility to the customer to do this and we try hard to live up to this responsibility.

Question 4. Does your company have a written customer service policy?

We start with a mission statement. We believe customer service and quality can't be dictated. The employees in this service industry we are in must believe in customer service and display this belief and act accordingly. You can't supervise quality or customer service either. You have to just hope that the underlying beliefs of the employees is translated to the customers in a positive manner. We have statistical data which tells us how fast an action is done but nothing to tell us how courteously that action is done. The bottom line is that we have our mission and various statements of service that apply to customer service but not a specific customer service policy per se.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Our customers are aware of our operational policies as are our employees. Since we don't have that written policy, distribution is not applicable. However, our work policies that everyone has or is aware of directly impact customer service actions throughout the organization.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

Some of our competitors have taken our policies and adapted them to their operations. If you use that as an indicator, I would say we are doing something right. You could even take that to mean that they do provide some sort of an advantage.

Question 7. How does your company follow up on customer service complaints/comments?

We have set procedures to follow up on complaints. What happens is that the person taking the complaint will research the problem and get back with the person originating the problem by either phone, mail, or personal

contact. The method of response depends on the nature of the input and its importance in the overall scheme of operations. Further, the persons involved in the resolution of the problem must have the power to resolve the problem under study.

Question 8. What priority are customer service inputs given in the day-to-day operation?

We have always had the policy that the customer receives top priority. I must say that we are very good at providing the service we are designed to provide. When we receive a request within the scope of our operations we are most of the time able to accommodate it. If we receive a request outside our capabilities we are less able to meet the needs of that request. I don't think we are all the way there yet but we are getting close.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

That could vary depending on what it is. In some cases we are able to get an answer to the customer almost immediately - say in five minutes. For formal written

comments or complaints we respond within five days and this time period is a written standard or requirement.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Oh yes. This can include operational training and/or specific customer service training depending on the employees position in the organization. This training is ongoing in a lot of cases and recurring in others. The time period varies.

Question 11. Do all employees know who their customers are? If so, who are they?

They all know who their external customers are but they may not be as aware of the internal ones. If you were to ask them who their customer is they would more than likely give you an external customer in their response since that is what they see on a daily basis when they are working.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

I would say all appraisals have customer service elements on them but the complexity or amount of areas will depend based on the operation the employee is responsible for. This could vary from direct rating in the area of customer service to indirect ratings which impact customer service practices. Still we don't do well in this area and we are working on improvements.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

In the hub environment, comments are not tracked, complaints, however, are. They are tracked by the department responsible and reflect month to month trends and "this year/last year" comparisons.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Material is shared with department management and is further distribution down is dependent on the manager. I would venture to guess that 50% of the departments with significant complaints involve all supervisors and appropriate hourly in their complaint review.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

The most important information systems would be the "morning" reports -- daily reports -- issued by all departments. These reports are shared with the district manager, appropriate staff management, and their own management teams. These reports that also contain production numbers, could be improved by including more customer derived service elements. At present, most service measurement is done on indices that we have determined to be important.

Improvement could be gained by more directly involving customers in our operations and by starting to measure service to our internal customers more extensively.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

Largely, the information relates to on-time delivery; such as the number of planes delayed, minutes late, number of packages held (by number of days), etc. We also generate data on quality issues such as number and frequency of

damages and overgoods, number of address corrections required, number of international discrepancies, etc.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

I don't understand the question. If you're asking about our ability to track a package, all air and some ground, shipments are scanned at origin, destination, and delivery with system upload within minutes. For more information in this area see a local account executive for sales material on our system. This system is important because it allows our customers to hold us accountable. Our failure to satisfy costs us guarantee monies and a loss of job pride.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

Developing and understanding department, center, and individual missions and tasks and how they add value to the customer is also important. None of this can be done

without a lot of dedication of people willing to make things happen -- without regard to hour of day, whether or not it will extend one's workday, and/or whether the task falls into my job description. Cross-functional cooperation is also necessary.

Manager #2:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

I know we do time in transit studies from time to time to see if packages go where they are supposed to go. We do a lot of measurement inside the hub to determine if we are doing things correctly. If we are then our internal customers are able to do their job better and ultimately the external customer will receive the best service possible. Further our main priority is to get the package to the correct gateway. If we do that then the gateway locations are better able to service their customers. We also measure ourselves very closely in regard to time. We work on tight schedules and every minute counts. If we are late on times we are not doing something well and the effects tumble down the line to the ultimate customer. All the measurements we make are compared against a set plan so that if we are off

schedule we know it immediately and can take action to speed of the operation to get back on schedule.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I would say that by far the accountability factor that we espouse is the greatest indicator, and I say that positively. Holding the employees accountable for their actions and the associated measurements allows us to ensure that packages are handled properly and shipped correctly throughout our system. By doing this we are better able to meet the customers needs on a regular basis. Since our employees are held accountable for their actions they work harder and expect more out of each other during the operation.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

We get feedback on a nightly basis which tells us the status of cargo when it was delivered at the destination. We use this in conjunction with the accountability factor to try to resolve problems and correct mistakes immediately

before they have the opportunity to happen again. Without this feedback there is no way we can have accountability for our employees. They work well together.

Question 4. Does your company have a written customer service policy?

Oh sure. We also have a corporate mission statement that addresses customer service issues.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Every manager has a policy book of his or her own which contains this and other important documents or policies. Also we place information in our internal corporate magazine that addresses customer service which the employees can read and gain information as to policy changes and actions the company is taking that might affect their jobs.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I think so. We are constantly trying to meet customer needs and our strategy of providing the customer with

whatever he or she needs is something that I don't see a lot of other carriers doing. So I would have to say yes. No one comes close to what we have in the area of customer service.

Question 7. How does your company follow up on customer service complaints/comments?

We look at internally generated reports on a daily basis to determine how we are doing in certain areas. These areas include customer problems. We look at these reports to identify problems and the appropriate manager will take it upon himself to work the problem to try to resolve it. Then the same manager will follow up on the progress of the problem to make sure his or her actions are productive.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Customer inputs receive high priority. We manage by exception. We don't worry about the 97% of our operation that goes right every night. We look at the three percent that goes wrong and take action to correct that wrong.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

Right now or at least as soon as an answer to the problem is found. This is not a written standard but I think it is the mindset that our employees have that ties in with our concept of customer service. We are not going to tolerate bad service and the only way to ensure that is to fix a problem now.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes. I am going to define that training however. Most of our training is based on operations and these operations or our performance in these operations will effect our overall customer service level both internally and externally. This training is broad in its context but each area addresses customer service activities and the overall function of providing the best service possible to our customers. If we find an area that is deficient for a person we will follow that up with additional or refresher training to make sure the philosophies and practices don't become old in the employees mind.

Question 11. Do all employees know who their customers are? If so, who are they?

Yes, in the context of hub operations. They know that they are handling freight for a specific gateway and that cargo is going through that gateway to the ultimate customer.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Our appraisals address several issues in the area of customer service. Additionally they address specific operational aspects which directly tie into our organization's ability to meet the needs of our customers. All employees receive this feedback and each appraisal has at least two or three areas that address customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

In the context of hub operations we keep track of our operational characteristics (missorts, etc.) so we can see how well we are doing in these areas. Again, our

performance in these areas determine our performance in our overall quality of operations and customer service levels.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Yes absolutely. Managers see these reports and use them to compare actual performance against standards to see if deviations exist and if areas exist for improvement. If areas do exist managers work to rectify these problems and use later reports to see if their actions were successful or are making a difference.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We have various systems in place that serve many different functions. They provide us the capability to communicate easily with each other, provide us valuable information on the status of a shipment, and give us information on our operations which allow us to identify ways in which we can improve operations before problems get out of hand. They can be improved and they are continuously undergoing changes.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

See answer to question 15.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

We do have intransit visibility for some of our shipments but we don't have it for all shipments. We are presently working on developing a system that will provide this service for us on a routine basis but it is not totally operational at this time. You can argue that this capability is important to a customer service program and you can say our actions in this area are as a result of that argument.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

No comment was made by this respondent.

Appendix G: Company D Interview Responses

Manager #1

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

On-time delivery is the number one customer service measurement for us here at the hub. We want to make sure that 95% of our flights that leave the hub arrive at their destination on time. We also get feedback from the hub on aircraft utilization for example and we ask them how we can do our operation better in order to better meet their needs. We also receive audit sheets from the service centers which let us know if we have done something they are not satisfied with. The only way we can improve ourselves is if we get constant feedback from our customers.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I don't know that I can say one is most important. You have an avenue for feedback on a daily basis and quarterly which all enhance our ability to meet the needs of our customers.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

We try to be very proactive and identify problems before they happen here. These systems are in place to help us do this and we do it quite well. You will be surprised how a good solid audit can enhance the customer service operations of a company.

Question 4. Does your company have a written customer service policy?

Yes we do and that would come out of our corporate customer service center. We also have a ground operations manual that addresses operations in the hub that serve to affect customer service for the hub and the company. The procedures outlined in this manual tie in closely with our customer service policy.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Service center managers have copies of the customer service policy. I personally don't have a copy

unfortunately that I can show you. As for our ground operations manual, it is made available to our managers for their use in daily operations.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I don't think it is so much the manual as it is the attitude of our company and employees. The attitude you instill in them and the way you train them is what will provide a company a competitive advantage. One reason we excel is that we have a positive can-do attitude throughout our company.

Question 7. How does your company follow up on customer service complaints/comments?

If the complaint can't be resolved in our customer service center, and we receive a complaint in the hub, we will dissect it to find out the problem and then get back with the person originating the complaint with an appropriate answer to the problem.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Triple A. There is no question about it. We tell everyone if they have a problem to call us because it is important to us.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

For the most part this should be immediate. If you can bring the information up on the computer you should answer the question immediately. Obviously some inquiries will take longer to resolve. This is my opinion however and I can't speak as to the policies in place in our corporate customer service center for example.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

As you add pressure to your organization, you have to understand that you have to simultaneously fine tune the organization to ensure employees don't become complacent and operation techniques don't become forgotten. Training is important and we try to continually train our employees in areas that address customer service both directly and

indirectly as the situation warrants and the job requires. It is an automatic process and it never stops. Specific training areas are scheduled and refresher training is built in to the system.

Question 11. Do all employees know who their customers are? If so, who are they?

I would be lying if I said everyone does but that is our goal and hopefully through our programs they will be made aware of their customers. As far as their responses to a blunt question, they would tell you the customer is the down-line service center.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yea. The best example is work methods, attendance and flexibility. These all reflect on our customer service so doing well in these areas and other operational areas means we are probably doing well in overall customer service for the company.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Definitely, both at the corporate level and here at the hub. This is done at the hub through roundtable meetings we participate in regularly which address operations. Through these meetings, issues that affect customer service are addressed and discussed.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

We are not a beauracratic company and our senior vice president says get rid of the memos and talk with the person. As a result, reports are prepared only on an as needed basis and are distributed only to those involved with the situation or those that can resolve the problem. That person will do whatever is necessary as a result to resolve the problem and further monitor the situation to see if improvements are happening.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Most of the customer oriented systems are located at the corporate and service center level. As far as actual

interface with the customer, that doesn't happen much here so our systems do not specifically address customer service issues. We do have systems which provide information on our shipments as well as ones that aid in our ability to communicate with other individuals and offices that aid in overall customer service for the company. These systems are extremely helpful but can be improved. One thing we would like to have, for example, is advance notice as to what type and the amount of cargo that is coming into the hub so that we can better react to changes in cargo weights and types and destinations.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

Piece counts, the destination, and similar information is available from these systems. This information is in turn used as an aid to us to help us manage the freight through the facility.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

We can track all of our international shipments but we don't track our domestic shipments right now. As for these international shipments we use the system to inform our customers as to the status and location of the freight throughout it's international movements. As far as its importance to our customer service program, that's a good question. From one point of view you can say yes it is important but from the other you can say that the customer is only concerned about the final delivery not how it got there. This is again a good question that can be answered both ways.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

We can talk about the manuals and the work ethic and the training, and that's all well and good, but you have to have the proper attitude and be real broad in scope if you are to be effective and meet customer needs and expectations. As a result you can be more responsive and react more rapidly to customer's needs. Further, you have to not only be aware of the responsibilities of your own job, you also have to be aware of those of the next job in

the pipeline. If you don't understand this you don't really get a good understanding as to what customer service is all about.

Manager #2:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

There is a weekly feedback mechanism that occurs between the airline operation and the field. Through this feedback, the past week's operations are analyzed and discussion are made on how to resolve problems that occurred during that week and how to not let them happen again. Second, there is a daily which rolls up into a monthly mechanism that tracks the performance of the airline. The main area addressed in this review is whether or not we were able to deliver our freight when we are required, or it is desired we do so.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The most effective is talking to the field on a daily basis. Specific areas are addressed on a daily basis and they are followed up on in the weekly meetings held on

Mondays. From this we can pinpoint the exact nature of a problem and hopefully rectify it as soon as possible.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It would be totally unprofessional to seek input only after something has gone wrong. I'm sure this is held as well by many of my fellow workers.

Question 4. Does your company have a written customer service policy?

To be quite honest, I can't answer that question but my guess is yes. We don't have a policy as to how we in the hub deal with our carrier organization but I'm sure there is one at the corporate level.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Even though we don't have a written policy, our managers have a philosophy of fixing a problem today which could be considered an unwritten policy. This information

is passed throughout the organization by each manager through his or her scope of responsibility. This was primarily initiated through team building exercises the company went through in the past.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

It's hard to say whether it provides a competitive advantage for us. What it does it it allows us to be competitive. Because if we weren't doing what is in this philosophy then the service provided to the customer would suffer and our customers would go to a company that met their needs since we were not.

Question 7. How does your company follow up on customer service complaints/comments?

From the airline perspective, the comment or complaint is communicated to the appropriate level and at that point it is our obligation to get back to the customer with a list of reasons why we did what we did. If they don't like that or have a better way of doing thing, it goes through a process of facilitation to resolve the problem. Through this we come to a mutual consensus as to how to handle it in

the future. Through this communication process we are able to handle most problems effectively.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Absolutely paramount. Number one. Safety is first to be quite honest but then customer service is next. Cost falls third.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

Today where pragmatically possible. Otherwise it will manifest itself into further problems that we don't need.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

not in an official capacity at this time. Through our emphasis on ISO 9000 most of the training that we do and needs to be done will be documented.

Question 11. Do all employees know who their customers are? If so, who are they?

Yes, absolutely yes. This is something that management has forced down through the communication process. As a result, they know that the field is their customer. If asked, the employee will probably tell you the next station in the process.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes it is, and that has been restructured a lot over the past year. Actual job methods are rated which directly impact overall customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

I know from the field perspective yes they do. From this particular section I can't specifically answer that question.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

No answer was provided for this question.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We have a system that tracks aircraft performance that provides absolute detail which allows us to break down a delay into broad categories and gives us detailed information for each category. This allows us to determine what delays occur and how often so that we can work to solve them as quickly and efficiently as possible. This system can be improved because at times it is onerous to get information out of the system. Re-writing the program would resolve that but we are getting the information we need so at present that is not necessary.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

This system provides detailed information on aircraft utilization, performance and operation. This information is then used to analyze our system to see if we are operating efficiently and effectively in our desire to meet customer needs.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Presently we scan cargo upon receipt and upon delivery. Since we have an extremely low mis-sort rate then we can with utmost confidence tell a customer where, in general, a package is. A total positive tracking mechanism is not absolutely mandatory. The importance of a system of this sort is important to a customer but I feel it is equally important in developing a marketing tool that is difficult to match. This is what some of our competitors have done for example. We are confident enough in our system that we can tell you where in the system cargo is without having to invest the large amount of capital that is required to implement this type of system.

Question 18. We have asked several questions concerning customer service operations within your organization. Are there any aspects of your customer service operations that

we have not addressed that you believe are critical to our analysis?

I think one thing that is overlooked is the fact that a manager has a customer as well and that is the manager on the other side and he must communicate with that manager. I think that too often they don't realize this and get caught in an egotistical battle that is not good for the company.

Manager #3:

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

First of all, from a hub perspective, we define our customer as the various field locations for our company. Our measurement is on-time performance from an airline perspective. we are successful if we operate a system that arrives within 15 minutes of schedule 95% of the time or better. This measurement allows us to ascertain information to a very intricate level of detail so that we can determine factors which lead to our not achieving this desired goal.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The measurement of on-time performance is universally understood by our company. You can measure missorts, damage, etc. but if you do all these things correctly and blow a tire on an intermediary stop for your aircraft and the final destination is late due to this, the other measures mean nothing. This is not how we measure performance to our paying customers but this is how we measure how we meet the needs of our internal customers.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

Both actually. In some markets 95% isn't acceptable. For these markets you have to exceed this standard. When we receive complaints from a market we will make changes to match the required conditions in that market. In that sense it is reactive to their needs. In others we are proactive because we exceed the needs of specific markets.

Question 4. Does your company have a written customer service policy?

From the hub perspective it is focused around the 95% effectiveness rate. I can't say I have a written copy of it but I can say it is the philosophy and policy we go by.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Since this is not a written policy, the way we get the information to the personnel in the hub is through verbal and written communication which keeps everyone abreast of our performance and how we did the previous night in meeting our started goals.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I don't know that it necessarily gives us a competitive advantage, but it keeps us in line in terms of measurement. Every operator will monitor it's performance differently and this keeps us focused on this measurement method. Our program may be different in specifics but we are all the same in our overall goal. (That is us and other cargo carriers.)

Question 7. How does your company follow up on customer service complaints/comments?

When we get a complaint from the service center, we follow it up to the person who is specifically responsible for that area and we will find the reasons for the problem and hopefully present an solution to preclude it recurring.

Question 8. What priority are customer service inputs given in the day-to-day operation?

A very high priority. We don't let something sit in the in-basket. We act on it as quickly as possible and try to resolve it at the earliest point possible.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

In our situation the next morning. Since we work at night, unless it is ultimately necessary to wake someone up in the night, we will wait until the next morning to resolve the problem or get back to the person with the question. This is not a written policy. It is more a rule of thumb that we go by.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes but it is different in every aspect of the operation. Each person is trained on the areas in which they impact the operation. Their performance in these areas impacts customer service and they are made aware of this in their training sessions. If they do not understand their job and it's impact on the overall mission, we are unable to perform at an acceptable service level. We do this on a continual basis to make sure that employees are kept aware of their requirements in the overall job of the hub.

Question 11. Do all employees know who their customers are? If so, who are they?

Yes. The management staff would tell you the customer is the down line service center and I think this response would be unanimous. As far as the workers, they may say the person paying for the package, but some might say the service centers. This response would probably vary from location to location in the hub.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes, because if you mis-sort a package and it ends up in Des Moines instead of Detroit, we hold that sorter accountable. The same criteria would hold for a loader, a mechanic, or any other employee in the organization. He is rated on this and similar areas which all impact the company's overall customer service level.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes. We bring up complaints the moment they occur and answer them within a twenty-four hour period. The paper trail that results from an investigation of a complaint definitely ends up in a file in the appropriate department. As far as a laundry list of complaints, we don't keep track but as far as recent memory and the tracking associated with that we definitely keep track.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Formal reports are not generated from this mechanism. Instead, the information is primarily used as a management tool and a means to relay information to the service center from which the complaint occurred.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

From our point of view, we are primarily concerned with the performance the airlines does on a daily basis. In order to maintain this information and receive some type of report, we have an internal computer system that maintains all information and provides information to our personnel on an as needed basis. The system is somewhat archaic but it does provide the information we need. Live time information would definitely be a plus and we are working in that direction.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

You have your fuel burns, your taxi times, your arrival and departure times, reasons for delays, cargo carried on board, and other similar information.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Not for the airlines. We have scanning capability out there to scan the codes on the airbill but no scanning is done in our hub facility. Our scanning is done at the point of departure for that airbill and wherever it arrives. Quite honestly I think a system of this type creates a perception of security but it is not necessary to provide superior service to the ultimate customer.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

There are some things we are doing as a company to improve our customer service which include ISO 9000 certification and becoming a flag carrier. These will aid in our ability to better serve the customer as well as place a perception in the market that we are trying and actually achieving certain strides in an effort to become more customer oriented. These two specific areas will greatly

benefit our company and probably lead to great changes and improvements in the future.

Appendix H: Company E Interview Responses

Manager #1

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

We measure on-time reliability of the airline. We do this by measuring the amount of aircraft that meet their departure times each night. At present we are doing extremely well in this area. As far as the sort operation, we measure delays inbound and outbound and how that impact departure rates for the aircraft. Any times that deviate from specified times are addressed each morning and controls put in place to preclude recurrence. We also analyze the operations from the previous night the following morning to determine what went well and what went wrong and how we can correct that. These measurement as well as similar measurements for ground equipment and sorters and loaders are measurements that directly impact customer service at the hub. If we do well in these areas, customer service is going to be high.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

I guess stepping back and looking at it the measurement of on-time performance and reliability for the quarter or the year, that tells you what the trend is, but actually the system of re-hashing that previous night's operation allows us to react in real time to problems that might have occurred. So I would say this is the most effective.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

Depending on the situation your are going to get input from a customer whenever there is a problem and you react accordingly. Other times you identify a problem through these meetings and resolve them before the customer is aware of them.

Question 4. Does your company have a written customer service policy?

Yes, it certainly does.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Personnel throughout the facility will be able to tell you the basic tenets of the policy but they probably will not have a written copy of the policy in their possession.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

All companies in this business provide excellent customer service. What we have found as a differentiating factor is the ability to tailor ourselves to the customer requirements as much as possible. This all boils down to figuring out what the customer requirement is and let's figure out a way to get them that.

Question 7. How does your company follow up on customer service complaints/comments?

I would encourage you guys to talk to someone at the corporate level but I know that right to the top of our corporation, the CEO takes calls concerning customer inputs and he, as with all of us, will use e-mail and other means to send the input to the appropriate person, no matter what the level in the organization, to make sure the input receives the proper attention.

Question 8. What priority are customer service inputs given in the day-to-day operation?

They are given a real high priority. They are given top priority unless they just don't make sense. In this case we try to explain from our perspective a better way to accomplish the task or resolve the problem.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

The customer usually wants a response almost instantaneously and we realize that. I don't think there is one acceptable time. So the answer, I guess, would be answer it as quickly as you can.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes they do. The customer service people themselves, they all receive customer service training. As far as a night sorter, he receives training as to how to do his job and the performance of his job directly affects customer service.

Question 11. Do all employees know who their customers are? If so, who are they?

They know who our customers are based on the names that are on the freight as it passes through our facility during the sort every night. If you go out during the daytime operation and ask them who our customers are, if it's not there first response, it will be after a little thought, they will say the corporation itself. Then the corporation's customer is the ultimate customer themselves. We are all ultimately aware that we have to please the corporation.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes I would say that it is. You may want to go thorough the proper channels and review an appraisal form. Each employee is being judged on a totally different set of factors but each applies to customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

I don't know how it is done but I'm sure it is done in some form. Primarily it would be done by our corporate customer service center. At the hub, the complaints are directed at a particular problem that we correct and we don't get a large volume of complaints that would require a tracking mechanism.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

I'm sure reports are circulated but I'm sure they are seen at the executive level of the company and unless there is a specific reason for the information to be given to a lower level, they primarily remain at the executive level.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Our database that we use here to track all shipments which allows us to scan when the package was picked up and delivered is what we rely on to provide feedback to the customer about his shipment. All the information that makes this up we rely on every day. As far as improvements, I'm

sure there are improvements that can be made and there are actually improvements being made on a continual basis.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

That system encompasses flight time, departure and arrival times, information on our trucks, cost per ton mile, as well as container weights and load plans. All this stuff impacts our customer service capability.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Our internal system that I previously mentioned provides this capability. The database for this system is periodically updated so that we can have up to date information as to the status of our shipments. This is important to our customer service program because this capability has to exist for you to compete with your competitors who do have this system.

Question 18. We have asked several question concerning customer service operations within your organization. Are

there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

The whole operation that exists here makes up the essence of our customer service. Any tools that measure performance or productivity make the machine more efficient and the purpose of that machine is to provide customer service.

Manager #2

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Our standard of service is our on-time delivery percentage. All of what we do is geared towards that. The closer to 100% the better we do. If a certain station is not delivering the freight to the customer on time then the problem is either at the station or at our end. If it is at our end we have to make changes to ensure service improves. Another technique that we use is to communicate with the station managers throughout the country continuously. Every week we get input from them on their needs and what is important to them. Then we go back and do what we can operationally to meet those needs.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The one-on-one contact and conference calls are the most effective. The statistics are important to measure performance but they go not tell the whole story. By communicating regularly with our customers we can position ourselves to provide good service.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It is used to seek out customer input. We have scheduled conference calls and meetings to bring up issues of service.

Question 4. Does your company have a written customer service policy?

Yes, we have a set of values on the wall downstairs that are common throughout the company.

Question 5. If so, how is the customer service policy distributed throughout your organization?

If you go to any field station they will have it. Any one that comes into my department is given it because we directly deal with our customers. You could make the argument that everyone should be provided this information. It is posted throughout the facility.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I'm not sure if our competitors do that but I believe it is important in any business. Every employee needs to know what direction you're heading. Only if everyone has the same goals and understands those goals that you do then everyone is in-line and I think that's important.

Question 7. How does your company follow up on customer service complaints/comments?

For our customers, we deal with every complaint but we don't get a lot of them. Everyone of our employees knows who our customer is and they know that we are here just to service that customer. We always give the customer who has

a complaint an idea of who they will be dealing with, who is going to be doing the follow-up, immediately after the complaint. We do not pass them around from one person to another. We decide where the problem was, what went wrong, does an employee need counseling, or is it a system problem --a problem with policy or procedures--then it is addressed. Then we get back to the complainant but we try to do it in two messages - the first, stating who will be performing the follow-up and the second, a fair and impartial observation on what went wrong and what we are going to correct it.

Question 8. What priority are customer service inputs given in the day-to-day operation?

High priority. Our whole focus is to help our customers, improve their service. We have no other function. It is the highest priority.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

For our customers, the station managers, it is typically twenty-four hours. This is due to our twenty-four by seven schedule. Typically, when the problem arises the people who were initially involved are at home in bed. So

we follow-up on it that night and get back to the customer the next day. In my department it is our written policy. They company as a whole has a different policy because the deal with the end users. My department deals with our internal customers and twenty-four hours is our policy.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

We have a computer driven training program that all our employees get. Again, I am speaking of my department. A mechanic may not get the same training. All of my employees get this training package and beyond that they read our policy indoctrination book. Every six months they go through the computer training.

Question 11. Do all employees know who their customers are? If so, who are they?

All employees do know who their customers are. Out employees have a pretty good understanding - it is important that all our employees know who our customers are. The people in my department would probably say the down-line stations are our customers because we deal with them so

frequently. The focus of individuals involved in the sort would probably be the end user.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes, it is. It is part of management appraisal. It is not part of our hourly workers appraisal. It is a part of our incentive program - how many airplanes depart here on time.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

For our internal customers, I track them personally. I have a file for each station and the problems they've had.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

It is for my primary use. No reports are produced or circulated. We try not to get a history with anyone.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

For external customers, there are quite a few reports that come out. By station, by area, by region - what percentage of the packages are we delivering on time. That really is the bottom line. They are computerized. There is a continual effort to bring all the systems together. We are trying to consolidate all our systems and access what reports are needed to guard against information overload.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

Daily reports, shortly after the last plane left, tells us information such as what time the planes actually left, which ones were late and early, how much freight they carried, what stations they were servicing, everything that came into here and how we managed it. We have reports that come out weekly, monthly, and quarterly. We regress everything and try to look for trends. These are used to review the operation every day to prepare for the right operation.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Yes, we scan a lot of freight and we have an internal system that can track the freight from its last scan. We know where our airplanes are continuously because we are tied into ATC. The most important part of our customer service program is having on time, accurate, reliable system. The typical customer really doesn't care where the package is in your company, he wants to know that you made a commitment, you took a package from him, and you made a commitment to deliver it on time, it is going to be a seamless operation that he doesn't know about. The more the customer has to get into your business, I think you are doing a poor job. It is important for us to know where the package is but it is not a burden he should really have. I think it should be seamless to the customer.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

I don't think so. I guess our one goal for internal customers is that all our employees who deals with our customers has to know what our goals are, who our customers are, and that they are the highest priority.

Appendix I: Company F Interview Responses

Manager #1 and #2 responded together during same interview

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Well, our first line customer is our field personnel. One of the ways we assess our service every night is by using a form that states how much we sent, how much we left behind, how much of it was scanned or not scanned, how many of our flights were late, why they were late, so we give them a breakdown of how our night went. The field station takes over from there by servicing the final customer. This generates the service quality indicators. It is a means for us to look at our daily failures.

We consider one of our primary customers as our employees. We have a very tangible means of measuring customer service effectiveness through a process called survey feedback action program. Every year all employees at all levels have the opportunity to complete a survey on management. Managers are held accountable for the scores they receive on the survey. It is an extremely important tool in internal customer satisfaction.

We also periodically sit down with our employees and talk with them to determine if they think we are doing our jobs well and what we can do to improve.

Also customer-supplier alignment is the means in which use to identify who are customers are within the company. A meeting is held to determine what the customer needs and what the supplier thinks the customer needs and as a result compromises are made. We have these at least six times a year.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

We use all of these, but I feel that the survey feedback action program is the most important because our employees are our most important customers.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It is very much used proactively. The meetings are very candid and as a result the manager has to develop objectives that are designed to improve scores in deficient areas.

Question 4. Does your company have a written customer service policy?

The customer service policy as I know it is one hundred percent customer satisfaction at the end of every transaction. That is espoused. I don't believe there is anything that is multiple pages that tells someone to do a particular action in a certain situation. I believe that there may be a customer service policy in each department that outlines process to follow in different situations.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Our customer service policy is part of our mission statement. We don't necessarily have a policy that is corporate wide. As a result, the distribution and content of these policies are dependent on the individual department.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

Our goal of one hundred percent satisfaction is pretty high for ourselves. I don't know what the other companies

set for themselves. I see the way we have it structured is a competitive advantage because it fosters teamwork. It is done in a segmented fashion which provides us a competitive advantage.

Question 7. How does your company follow up on customer service complaints/comments?

It depends on which customer we are talking about. There are various ways we follow up depending on the situation, whether this be a detailed note explaining the situation or a verbal response. We have a daily meeting of all of the operational units in the hub operation to talk about the problems that occurred the night before.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Absolute top, number one priority. It depends on the request whether or not it is a priority. But on the whole the receive top priority.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

Externally, we have a 24 hour commitment to get back to that customer with what has been found out. We do not let 24 hours go by without contacting that customer. This is a standard policy. In addition, we have a department that responds in writing to customer problems received by the CEO's office. These letters must be written within 24 hours to mail to the customer.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes, because part of the orientation for all employees coming into the hub get something called the total quality advantage which is a brief discussion of a quality course we bought from a consulting firm which a major part of it is identifying the customer and make you think who are my customers. They receive refresher training automatically if they participate in quality action teams. Then if they get promoted they receive additional training. This course is more advanced. Additionally there are opportunities for employees to be refreshed daily, nightly or hourly. Further courses are available through interactive video that they can take at their own pace.

Question 11. Do all employees know who their customers are? If so, who are they?

The idea of customers is directly dialed into our training programs. They address internal and external customers and who some of them might be. I would have to stress that my number one priority customer as a manager is my employees.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Absolutely. There's an item on the manager's and professional's review that addresses customer service directly if I'm not mistaken. These areas include maintaining a customer orientation both externally and internally, making efforts to understand the needs of others, fosters cooperative working relationships and promoting the success of the department and the company.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes they do. For our external customers we don't get a lot of complaints. But for the internal comments and

complaints, there is not a tracking mechanism in place. Various managers may have mechanisms for themselves but there is nothing in place for an internal complaint system. Service failures are tracked but complaints are not necessarily.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

The SQI report is a type of report that is generated from this system. Similarly there are many other reports that are generated that every manager and some professionals receive and use in their capacity to address certain issues and hopefully resolve them.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

The SQI report and the "FAMOUS" system as well as the STAR report tell me the number of hours I had, the number of late planes I had, how much volume I had, how many missorts I had, what my scan compliance was, and a host of other things. These I get nightly. From these reports I can tell how well I did last night. We can look in our COSMOS system

that deals with our scans and scan related screens where I can look and see how many scans we had, how many missorts we had, who had the missorts, why they were missorts. There is no actual report that comes out that is given to Joe and Jane and the senior VPs on everybody's area but it gives us a information that we can relay to our employees. From all these systems you are going to get the SQIs. They pull from all of those to get the SQIs. As far as improvement, I would be tempted to find anybody who gets better information from their systems than we do.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

See answer to question 15.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Absolutely through our supertracker. It scans six times every package. If you had a power ship you could access this system from your home computer and find out the same information. This information is important because we

have found that this information is as important to the customer as receiving the package itself.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

If you take care of your people they will in turn make the service and the company will make a profit.

Appendix J: Air Force Interview Responses

Manager #1

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

As are as my Flight we do not have any direct feedback that I know of. our customer service department is primarily our interface for customer requirements, change in customer needs, and that kind of thing. What we do have is a pretty elaborate metric system for our department that we use to ensure what we are doing for the customer as far as moving stuff as quickly as we can and to make sure that it is accounted for after its gives to us. There are basically three services that we are providing and we track them every month. They are to move the cargo safely without damage, to move it in the most timely manner, and to ensure we have accurate accountability. These three things are what we focus on but we don't get any direct interface with the customer.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

Well, we have total control to say that is we were customers we would want the freight moved gently, safely, we want you to know to where it is all the time, and move it as effectively and quickly as possible. These are the things we are operating off of. We have had some pretty outstanding success with our metrics. I know they work because I see it every time we track the measurements and the tangible results the we have done.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It is hard for me to say because we don't get - customer complaints really go through customer service.

Question 4. Does your company have a written customer service policy?

Yes, it is in the mission statement. We have nothing written down as far as policy. We have a will to provide outstanding service.

Question 5. If so, how is the customer service policy distributed throughout your organization?

The mission statement goes throughout the entire organization. We also have it posted throughout the facility. We spend extensive amounts of time in meetings talking about service and that is disseminated throughout the port as well.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

It is hard for me to say. I can say that me personal feeling is that I cannot see how this organization could have any more drive to provide good service. It is hard for me to make that comparison.

Question 7. How does your company follow up on customer service complaints/comments?

From the organizational level it is hard for me to answer because we have another flight that deals with that. If they call use we get an answer and then we try to correct the problem.

Question 8. What priority are customer service inputs given in the day-to-day operation?

I'd say they are given high priority from what I've seen. Sometimes, there isn't fix that is within our control due to the scheduling of resources, but we make every attempt to solve problems that we do have some control over.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

As soon as possible. It depends on the problem obviously. It should be worked as soon as you receive it.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

No, we talk about operational requirements that affect service but if you are talking about face-to-face interface with our customers then no.

Question 11. Do all employees know who their customers are? If so, who are they?

No answer was provided for this question.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Not specifically. I find it hard to relate that in my department. The resolution of any problem by subordinates affects service and will show up in their duty performance rating.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

No, my department does not track customer service inputs.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

No.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We don't have anything that directly links us to them as far as information system. We have new systems that help us to improve operations and which is indirectly related to customer service.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

No answer provided for this question.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Yes, CAPS II. It provides what we have coming into the system both retrograde, what we have here currently and what we have built up out here as well as what we are receiving. The only way we know something is going to arrive here, before it arrives here, is if someone calls from the origin.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

No, not really. You may want to ask the question of how often someone's hands get tied in the customer service realm because of the system we operate in. I believe that generally people want to provide good service and sometimes they are unable to.

Manager #2

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

We have sent out customer service letters. I find that those are returned on a very small percentage. Also we have a customer visitation program that takes place face-to-face and over the telephone.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

Face-to-face visits allows you to see the facial expressions of the customer which may lead you to ask more appropriate questions. Also you can see problems that are on their site. You occasionally get a visit on an annual basis, unless a problem dictates an earlier visit.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It seeks out customer inputs.

Question 4. Does your company have a written customer service policy?

I think that would be part of our total quality management. Declaration of quality.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Every department maintains a total quality handbook and the initial distribution is posted on "quality corners" as well as customer indicators. The department is responsible for its distribution.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

I would think the other ports would be doing the same thing. I do believe it sets us above the other ports if they don't have the same type program. I guess I really can't answer that.

Question 7. How does your company follow up on customer service complaints/comments?

We try to resolve the problem and most importantly we try to ensure a mechanism is in place to preclude recurrence. Basically, it involves talking to the people who were involved in the problem, how the problem happened, and what we can do to keep it from happening again.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Obviously, from this office it is 100%. In the port as a whole, that's a hard question to answer. I'd say it is about 50-50. Half of the organization actively pursues customer and half the organization probably says it isn't worth the effort.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

As long as it takes. There is not a written policy or standard to my knowledge.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

They all receive total quality training. And if you accept the tenet that it is based on customer service then the answer would be yes. Additional training identifying customers to them specifically I would assume goes on at department level.

Question 11. Do all employees know who their customers are? If so, who are they?

Some answer as ten. I would say seven out of ten would be able to give you a good answer. The problem is which customer takes priority, the one inside or the one outside the organization.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

It certainly is on mine. The organization in general, I would have to say depends on internal and external. How you do your job with the other sections is satisfying internal customers; therefore, the performance appraisal is based on internal customer satisfaction. External statistics are written in the appraisals. I would "yes" the appraisal system in tied to customer service.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes, we have handling sheets for customer calls and we have handouts for customers who come through.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Yes, the quality council sees them and are used to solve and resolve problems before they become more significant. These reports are also posted on our "quality corners".

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Well, I think in this particular office we are linked to DLA databases and we resolve shipper's packaging problems and hazardous cargo movement problems. So we have access to HMIS and packaging data. CAPS II because that interfaces with all of our air clearance authorities. It is the primary mode of us getting business. All our automated systems are crucial to us understanding what is going to be lifted when, who is going to be flying when, what cargo we should move first and what condition it is in. They could be improved a thousand-fold.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

We do traces all the time for customers. Any question that a customer asks we can usually find the answer in the database. In general, the information is used to keep the customer informed.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

I believe we touched on that previously. Yes, it is important because in my experience the one thing the customer wants, besides having it in hand, is knowing where it is and what the status is. If you can provide him this information then he is satisfied.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

Well, I think that we are at a critical point in customer service for Air Mobility Command because positions are going away such as mine. I believe it will be detrimental because I don't see the same level of focused customer service being maintained.

Manager #3

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Couple of different ways. First, we have questionnaires that we use. Second, our customer service section asks the customer how we are doing. Third, we use

metric or quality indicators such as loss cargo, over, short and damaged, port hold time, etc. We also green sheet cargo which puts that services cargo ahead of any other cargo that service is shipping.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

The most effective is the feedback we get from our customer service section. When customers call in and provide input is extremely valuable.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

I don't know how to answer that. I know we are very responsive when we get customer input. We could probably be more proactive. I'm not quite certain what goes on in the customer service section.

Question 4. Does your company have a written customer service policy?

We are big into quality. In the quality handbook there is a section that covers who the customer is and that service we provide. So overall I would say yes.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Each flight commander and all key personnel get a quality handbook as well as it being posted on the bulletin board. We try to emphasize it.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

We did fairly well in our quality assessment. At one time, we had the top total point value. I think it helps but I don't know for sure. I would have to know what the other ports are doing.

Question 7. How does your company follow up on customer service complaints/comments?

Depends on who it goes through. The level through the commander or operations officer is the best bet. I don't

know if we have a structure in place to review complaints. There may be but I am not aware of it.

Question 8. What priority are customer service inputs given in the day-to-day operation?

I think they are given a lot of priority. We are lucky our frequency channels don't always fill up. When we get a complaint we validate it and press on.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

It depends on the severity of the problem. If there are dollars involved it should be fairly quick. I think we owe it to the customer to try and keep him the loop. I'm not aware of any written policy.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Probably not. Some of the key folds in load planning, customer service, and truck dock personnel who receipt for cargo. I don't think there is anything formal. There is no

formal training policy I'm aware of except for TQM where we emphasize who the customer is.

Question 11. Do all employees know who their customers are? If so, who are they?

Most employees know. The one and two strippers may not know, I'm not sure. Most employees would say that the different services are their customers.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes, when you read an appraisal you'll see something about a 99% reliability or changed the way we did business to streamline service for the customer desires. It's definitely what we are trying to do.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes, but we need to improve. I'm not aware of it formally.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

We get monthly products from the CAPS system that have backlogs, port hold time, etc. We get some of that. Primarily the management staff - the commander.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We are computer literate in this squadron. E-mail is an option, APEK, and CAPS II. Yes, there is room for improvement. I don't know exactly where.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

It would all tie together with metrics and the customer in mind. That is really a tough question.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

The GTN system and the RCAP system are suppose to clear that up. It is absolutely important to the customer service program, that is probably why is there. It is customer directed.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

Probably not. I can't think of anything else. No, nothing I can think of.

Manager #4

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Right now we are using metrics as a method to measure things that we feel are value added to the squadron.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

From my point of view, the things we measure are not only what I want to measure but they are also what the enlisted man on the floor wants to measure. These are the processes that are key to his operation and start the processes that make everything work. It's at that level that it's really critical.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

Maybe I won't answer this directly. We collect data because AMC wants information. We also collect it because the Wing wants information. At our level, we are doing this because we think we can do the job better since it provides us feedback. Also our customer gives us feedback. If they like or don't like something we are doing they can tell us and we can measure it. By this we are able to track performance and make improvements when needed. So I consider this open and dynamic and I hope it never stalls out.

Question 4. Does your company have a written customer service policy?

Yes, we have a whole book that addresses this.

Question 5. If so, how is the customer service policy distributed throughout your organization?

Every workcenter has a copy of the book and we maintain that. Hopefully it is not gathering dust on any shelf.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

The policy is just a position that we have taken as an organization. What makes us different is that the people are involved and care about it. Their involvement makes it happen.

Question 7. How does your company follow up on customer service complaints/comments?

When we get complaints in, they go through the quality group, they then come to me and I review them, and then we go back to those folks and give them feedback on our

investigation and what processes caused the problem. The idea is to continue to give feedback so we can change things.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Tough question. I'm really not sure being new here.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

I would say it is type specific from what the problem is. Some require major changes to the system that I don't control. Those things need to be addressed and the customer needs feedback say within thirty days. Here within the squadron, I would think within two weeks, as a result of our meeting schedule, we would be able to get back with the individual and give them the status of our efforts. I think this is pretty standard based on my prior experience at other assignments.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes. They get it when they walk in the door. Everyone goes through an introductory course. Right now we are changes the tools and techniques class so people can keep quality in front of them when they are learning new tools and how to deal with quality effectively. I don't know if they receive refresher training here or not.

Question 11. Do all employees know who their customers are? If so, who are they?

I don't think you ever know who all your customers are because tomorrow continues. If asked the employees would give 50% of who their customers are because they might focus on internal or external customers and we are not always aware of the full process to know who all is involved.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

At my last assignment we re-accomplished all civilian PD's to incorporate a quality philosophy but I have not had time to see what has been done here. So the answer is I don't know for here.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes. I get a chart in my briefing on the impacts and resolutions and the number that come in and the percentage and breakdown of what we are doing.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

As for the report previously mentioned, the whole staff sees the report and when we sit down in quality meetings we run through all the charts and evaluate those and specifically individuals that are line up in key result areas have that information available to them and that helps them decide what areas to focus on.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

Nothing comes to mind in the cargo operations area.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

No answer due to previous response.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

The CAPS system provides an overview of the cargo as it moves throughout the system. This is important because the more visibility we have on the cargo the more it allows us to not waste extra dollars and we can respond better when a critical need arises. We are currently working on an interface system with FedEx and others so that when we log something in it will translate to them so that they will have visibility of it. It gives us the ability to respond basically to our customers.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

I think quality had a really rough start in that it came from the top down. In AMC we have had several jump starts where we lurched forward and then it fades a little bit. It not a panacea for everything. It doesn't replace good management or good leadership. The individual that actually owns the process has to have backing from the commander and upper supervisors that they really back the quality system. If they ever doubt that the system is going to fail. The solutions and ideas have to come from the grass roots.

Manager #5

Question 1. Which techniques does your company use to assess or measure customer service needs and satisfaction?

Of course, the customer service flight directly interfaces with the customer and they give us pretty valuable feedback. Command wise there are standards that we are required to make and measure ourselves against which we see on a daily basis. Also there are the UMMIPS standards, but they lag behind the power curve by six to twelve months. The port hold time, the port processing time and the interface with the customer are the ways that we measure ourselves.

Question 2. Which technique do you find most effective of those mentioned in your response to question one and why?

Probably the direct contact with the customer. The standards are manipulated; if you want to do things to reduce your hold time or process time you can. This contact will allow us to refocus on why someone's cargo did not get to the right place at the right time. That is the most effective way that we can get short term feedback.

Question 3. Is this technique used to seek out customer input or does this technique provide information only after a customer service recommendation or complaint has occurred?

It is more problematic, I think it is the squeaky wheel gets the grease. I think that for the most part our customers don't have complaints if they are regular users of the channel system. They know that if they get a piece of cargo into Charleston by Wednesday P.M. it will be in Panama by Saturday. For the most part you do not hear from these people.

Question 4. Does your company have a written customer service policy?

Yes, there is a, I assume, flight regulation that addresses this.

Question 5. If so, how is the customer service policy distributed throughout your organization?

It primarily deals with he who interfaces with the customer. Distribution is based on applicability and interface with customers.

Question 6. Do you believe this policy provides your company a competitive advantage over other air cargo carriers? And why?

We are not in competition with the other ports because we all have our own route structure. Consequently, there is no comparison.

Question 7. How does your company follow up on customer service complaints/comments?

Most of the complaints we receive are either message traffic or telephonic communication either to the operations officer or the commander, so we are working it down to the level, a lot of times we are fessing it up with a point

paper, structured analysis of what the problem was and why the service did not happen.

Question 8. What priority are customer service inputs given in the day-to-day operation?

Generally, very high. First thing the customer service manager and I speak about everyday.

Question 9. What do you believe is an acceptable amount of time to resolve a customer's problem? Is this time period a written policy or standard?

It is going to be destination and channel related as to what an acceptable amount of time is. We can usually get someone on the right track instantaneously if they call down here but the availability of lift will determine when the problem will be resolved.

Question 10. Do all employees receive training on customer service practices? Do these employees receive additional or "refresher" customer service training?

Yes, within my field. The people that have direct contact with the customer do receive training. We have policies and procedures, we have standard stuff. When we

have a rash of irritable customers we will sit down and have a meeting to discuss how to handle difficult situations.

Question 11. Do all employees know who their customers are? If so, who are they?

Yes. Everyone in this organization has been through TQM training so they should know who their customers are.

Question 12. Is the company's customer service performance a part of your employee appraisal system? If so, in what way?

Yes. Its part of the process itself. If an employee does something out of the ordinary to help a customer we will put a little blurb in their appraisal that addresses this.

Question 13. Does your company regularly track customer service comments and complaints? If so, how?

Yes. It goes through customer service down there, and then we record what we are doing and publish reports.

Question 14. As a result of your tracking mechanism, are reports prepared and circulated? Who sees these reports and how are they utilized?

Reports are placed on quality corners around the facility for everyone to see. The quality council analyzes these reports and posts the results.

Question 15. What information systems exist within your organization that are important to your customer service program? Could they be improved?

We have a database system here that is geared on working the priority system. Under the CAPS system we can look at the entire queue by destination to see what stuff is suppose to move first. Also are command and control system allows us to manage the freight and identify any special handling requirements and disseminate specific instructions throughout the port. The CAPS system is new and we are making changes continuously.

Question 16. What kind of information is generated from these systems, and how is that information used in your customer service program?

It gives us information on our operations whether we are late or on time so that we can react accordingly. This capability directly affects the service that our customer receives.

Question 17. Do any information systems exist that provide intransit cargo visibility? If so, why is this capability important to your customer service program?

Yes, the entire CAPS system does this. It was designed for intransit visibility. The hook up with the GTN system will allow the ARMY and Navy to have access to this information. This is important to customer service because we calls everyday from people that want to know where something is, with this capability we can tell them that.

Question 18. We have asked several question concerning customer service operations within your organization. Are there any aspects of your customer service operations that we have not addressed that you believe are critical to our analysis?

The standards that are set do not reflect what the actual system is doing today. The available lift may not be the same as when those standards were published. This makes

it difficult to resolve customer complaints because the
customer has expectations based on inaccurate information.

Appendix K: Charleston AFB Aerial Port Operations Description

The 437th Aerial Port Squadron, Charleston AFB, SC, provides passenger, cargo and mail handling services, as well as aerial delivery support for the 437th Airlift Wing. The squadron presently has 375 personnel assigned and is divided into four operating branches: Aerial Port Operations, Plans and Programs, Aerial Delivery, and Traffic Management.

The 437th Aerial Port Operations Branch ensures timely movement of passengers, cargo and mail from customers throughout the world to locations primarily in Central and South America. As a part of the Operations Branch, the AMC Passenger Terminal provides assistance to almost 200,000 travelers annually. The Air Freight Section moves more than 80,000 tons of cargo yearly via C-141B, C-5, C-130, and C-17 aircraft. These aircraft fly regularly scheduled missions to specified locations. Fleet Services provides ground servicing to both contracted and military aircraft transiting the port. The Air Terminal Operations Center is the nerve center of the aerial port. It monitors and disseminates mission schedules and provides load planning, supervision and coordination to the entire Squadron Operations Branch.

Plans and Mobility provides safety, quality control and staff assistance to off shore South and Central American

terminal operations. Additionally this branch is responsible for the budget, training, manpower, and security programs for the squadron.

The Aerial Delivery Support Branch provides realistic airdrop training necessary to maintain the combat readiness of the wing's tactically qualified aircrews.

The Traffic Management Branch provides household goods counseling for 13,000 customers annually. Additionally it is responsible for the movement of all personal property, personnel and freight shipments for Charleston AFB by surface transportation.

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Vita

Captain Patrick D. Lozon was born on 9 May 1966 in Dearborn, Michigan. He graduated from Troy Athens High School in Troy, Michigan and attended the University of North Texas, graduating with a Bachelor of Arts in History in August 1989. Upon graduation he received a commission in the USAF, and attended Transportation Officers' School at Sheppard AFB, Texas. His first tour of duty was at Ellsworth AFB, South Dakota where he worked as the Vehicle Operations Officer and the Combat Readiness and Resources Officer in the 28th Transportation Squadron. In July 1992, he was assigned to the 51st Transportation Squadron at Osan AB, South Korea and worked as the Vehicle Operations Officer and Vehicle Maintenance Officer. In July 1993, Captain Lozon entered the School of Systems and Logistics, Air Force Institute of Technology. Following graduation, he will be assigned to the 627th Airlift Support Squadron at RAF Mildenhall, United Kingdom.

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Captain Michael B. McDaniel was born on 24 April 1966 in Athens, Georgia. He graduated from Athens Christian High School in Athens, Georgia and attended the University of Georgia graduating Magna Cum Laude with a Bachelor of Science degree in Geography in June 1988. After graduation he received a commission in the USAF and attended Transportation Officers' School at Sheppard AFB, Texas. He served his first tour of duty at Fairchild AFB, Washington where he worked as the Traffic Management Officer, Chief of Combat Readiness, Executive Officer, and interim Squadron Commander in the 92nd Transportation Squadron as well as Deputy Director of Quality Improvement for the 92nd Wing. He was a distinguished graduate of Squadron Officer School where he attended in residence in March to May 1993. Captain McDaniel entered the School of Systems and Logistics, Air Force Institute of Technology, in May 1993. Following graduation he will be assigned to the Air Force Logistics Management Agency at Maxwell Air Force Base, Gunter Annex, Alabama.

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13. ABSTRACT (Maximum 200 words) This study used the benchmarking process incorporated in a case study approach to determine what the Air Force could learn from the commercial air cargo carriers in regard to customer service practices. The air cargo industry leaders were determined through a previous study to be United Parcel Service, Federal Express, Emery Air Freight, Airborne Freight, DHL Airways, and Burlington Air Express. In addition, the 437th Aerial Port Squadron (APS) at Charleston AFB South Carolina was the Air Force representative in the benchmarking study. Interviews with air cargo managers were conducted at each carrier's main hub and at Charleston AFB. The interview process resulted in the conclusion that most of the customer service practices in the commercial air cargo industry and the Air Force aerial port are similar. The Air Force is superior in customer service report dissemination, but is deficient in customer awareness and intransit cargo visibility. Recommendations include: employee appraisal modification, 360 degree review usage, focus group utilization, and frequent AMC executive and APS management communication.

14. SUBJECT TERMS Customer Service, Management, Air Cargo, Quality, Benchmarking	15. NUMBER OF PAGES 260
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